BLACKROCK MUNIYIELD QUALITY FUND III, INC Form N-Q December 22, 2011 UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED MANAGEMENT INVESTMENT COMPANY
Investment Company Act file number 811-06540
Name of Fund: BlackRock MuniYield Quality Fund III, Inc. (MYI)
Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809
Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Quality Fund III, Inc., 55 East 52 nd Street, New York, NY 10055
Registrant's telephone number, including area code: (800) 882-0052, Option 4
Date of fiscal year end: 07/31/2012
Date of reporting period: 10/31/2011
Item 1 – Schedule of Investments

Schedule of Investments October 31, 2011 (Unaudited)

	Par	
Municipal Bonds Alabama 0.4%	(000)	Value
Birmingham Special Care Facilities		
Financing Authority, RB, Children s		
Hospital, Children s Hospital (AGC),		
6.00%, 6/01/39	\$ 3,605	\$ 3,950,467
Alaska 1.5%		
Alaska Housing Finance Corp., RB, General Housing, Series B (NPFGC),		
5.25%, 12/01/30	2,000	2,043,080
Borough of Matanuska-Susitna Alaska,	2,000	2,0 .5,000
RB, Goose Creek Correctional Center		
(AGC), 6.00%, 9/01/28	10,150	11,702,036
1.1.00%		13,745,116
Arizona 0.9% Arizona State Health Facilities Authority,		
RB, 5.00%, 3/01/41	2,450	2,420,110
Maricopa County & Phoenix Industrial	2,430	2,720,110
Development Authorities, Refunding		
RB, S/F, Series A-2, AMT (Ginnie		
Mae), 5.80%, 7/01/40	1,520	1,548,576
State of Arizona, COP, Department of		
Administration, Series A (AGM), 5.00%, 10/01/27	3,725	3,985,936
3.00%, 10/01/27	3,723	7,954,622
California 13.4%		. , , , .
Alameda Corridor Transportation		
Authority, Refunding RB, CAB,		
Subordinate Lien, Series A (AMBAC), 5.40%, 10/01/24 (a)	10,000	8,974,200
California Health Facilities Financing	10,000	6,974,200
Authority, Refunding RB:		
Sutter Health, Series B,		
5.88%, 8/15/31	3,200	3,455,936
St. Joseph Health System,	1.550	1 (14 174
Series A, 5.75%, 7/01/39 California HFA, RB, AMT, Home	1,550	1,614,154
Mortgage, RB, Home Mortgage,		
Series K, 5.50%, 2/01/42	4,530	4,507,395
California State University, RB,	·	
Systemwide, Series A:		
5.50%, 11/01/39	1,525	1,615,204
	n.	
Municipal Bonds	Par (000)	Value
California (continued)	(000)	
California State University, RB,		
Systemwide, Series A (concluded):	<u>.</u>	
(NPFGC), 5.00%, 11/01/32	\$ 9,865	\$ 9,991,469
California State University, Refunding RB, Systemwide, Series A (AGM),		
5.00%, 11/01/37	3,545	3,621,856
	3,5 15	2,021,000

California Statewide Communities		
Development Authority, RB (AGM):		
St. Joseph Health System,		
Series E, 5.25%, 7/01/47	5,000	5,036,800
Sutter Health, Series D,		
5.05%, 8/15/38	300	301,518
City of Redding California, COP,		
Refunding, Series A (AGM), 5.00%,		
6/01/30	1,900	1,986,564
City of San Jose California, RB,		
Series A-1, AMT, 5.75%, 3/01/34	2,300	2,401,062
City of San Jose California, Refunding		
RB, Series A, AMT (AMBAC), 5.50%,		
3/01/32	11,965	12,118,272
Coast Community College District, GO,		
Election of 2002, Series C (AGM),		
6.19%, 8/01/33 (b)	8,100	2,153,304
County of Sacramento California, RB,		
Senior Series A (AGM), 5.00%,		
7/01/41	14,500	14,753,895
Dublin Unified School District California,		
GO, CAB, Election of 2004, Series D,		
6.47%, 8/01/34 (b)	5,000	1,174,450
Fairfield-Suisun Unified School District		
California, GO, Election of 2002		
(NPFGC), 5.50%, 8/01/28	5,800	6,165,516
Long Beach Unified School District, GO,		
Election of 2008, Series B, 6.16%,		
8/01/34 (b)	5,000	1,257,600
Los Angeles Community College District		
California, GO, Election of 2001,		
Series A (AGM), 5.00%, 8/01/32	1,200	1,259,136
Mendocino-Lake Community College		
District, GO, Election of 2006,		
Series A (NPFGC), 5.00%, 8/01/31	1,485	1,524,412

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedule of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:

Assured Guaranty Corp.
Assured Guaranty Municipal Corp.
American Municipal Bond Assurance Corp.
Alternative Minimum Tax (subject to)
Airport Revenue Bonds
Berkshire Hathaway Assurance Corp.
Capital Appreciation Bonds
Certificates of Participation
Economic Development Authority
Education Revenue Bonds
Grant Anticipation Notes
General Obligation Bonds
Housing Development Authority
Housing Finance Agency
Housing Revenue Bonds
Independent School District
Mortgage Revenue Bonds
National Public Finance Guarantee Corp.
Permanent School Fund Guaranteed

RB Revenue Bonds S/F Single-Family Syncora Syncora Guarantee

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

OCTOBER 31, 2011

Schedule of Investments (continued)

	Par	
Municipal Bonds	(000)	Value
California (concluded)		
Norwalk-La Mirada Unified School		
District California, GO, Refunding,		
CAB, Election of 2002, Series E (AGC),		
6.46%, 8/01/38 (b)	\$ 7,620	\$ 1,391,031
Oceanside Unified School District		
California, GO, Series A (AGC), 5.25%,		
8/01/33	2,500	2,637,700
Port of Oakland, Refunding RB, Series M		
(NPFGC), 5.38%, 11/01/27	8,030	8,062,923
Poway Unified School District, GO, CAB,		
School Facilities Improvement,		
District, 2008 Election, Series B,		
6.25%, 8/01/36 (b)	10,000	2,180,100
Riverside County Public Financing		
Authority, Tax Allocation Bonds,		
Redevelopment Projects (Syncora),		
5.00%, 10/01/35	10,000	8,350,200
San Bernardino Community College		
District, GO, Election of 2002, Series		
C (AGM), 5.00%, 8/01/31	2,165	2,226,529
San Joaquin County Transportation		
Authority, RB, Limited Tax, Measure K,		
Series A, 6.00%, 3/01/36	1,830	2,089,659
San Marcos Unified School District, GO,		
Election of 2010, Series A:		
5.00%, 8/01/34	1,800	1,873,170
5.00%, 8/01/38	1,600	1,658,624
State of California, GO, Series 2007-2		
(NPFGC), 5.50%, 4/01/30	10	10,516
Stockton Public Financing Authority		
California, RB, Parking & Capital		
Projects (NPFGC), 5.25%, 9/01/34	5,000	5,019,200
Walnut Valley Unified School District,		
GO, Capital Appreciation, Election of		
2007, Series B, 6.15%, 8/01/36 (b)	6,545	1,461,564
West Valley-Mission Community College		
District, GO, Election of 2004, Series		
A (AGM), 5.00%, 8/01/30	3,600	3,738,348
		124,612,307
Connecticut 0.2%		
Connecticut State Health & Educational		
Facilities Authority, RB, Hartford		
Healthcare, Series A, 5.00%, 7/01/32	1,830	1,839,626
Florida 16.3%		
Broward County School Board Florida,		. .
COP, Series A (AGM), 5.25%, 7/01/33	15,000	15,483,750
City of Orlando Florida, RB, Senior, 6th		
Cent Contract Payments, Series A	10.050	10.056.014
(AGC), 5.25%, 11/01/38	12,850	12,876,214
	5,000	5,359,850

County of Eventain, Series A, 25%, 1001/24 2.250 2.415,000 2.0	Collier County School Board, COP (AGM), 5.00%, 2/15/23		
Sweer Luthiny, RRI, Series A, 5.25%, 1000126 2,250 2,415,000 County of Lee Florida, Refunding RB. 2,600 2,703,488 Series A, AMT. 2,600 2,703,488 Municipal Bonds Per (Monthe County of Manager Land) 3,420,490 Florida (concluded) 3,340 3,420,590 County of Manier Dade Florida, CR. 3,440 3,420,590 Building Better Communities 5,500 6,730,000 Forgarm: 5,500 6,730,000 Series B, 6,38%, 7,01/28 5,000 6,730,000 Series B, 6,38%, 7,01/28 3,00 7,595,700 Series B, 1,575, 7,01/33 3,00 7,595,700 Mania Herentainal Airport, AMT 7,00 7,595,700 Kines B, 1,575, 7,01/35 1,00 1,00,890 Maria Educational Airport, AMT 1,00 1,00,890 Kines B, 4, 347, 60 1,00 1,00,890 Kines B, 5,358, 1001/27 1,10 1,21,50 Kines B, 6,358, 1001/27 1,10 1,21,50 Kines B, 6,358, 1001/27 1,10 1,21,50 Kines			
County of Lee Florida, Refunding RB, Series A, AMT Zook Zoyloays Musicipal Bords Pare (will) Value Florida (concluded) Value County of Lee Florida, Refunding RB, Series A, AMT (concluded) \$ 3,40 \$ 3,400 Sales, 100/125 \$ 3,40 \$ 3,400 \$ 3,400 Stable, 100/125 \$ 3,40 \$ 3,400 \$ 3,400 Building Better Communities Term (concluded) \$ 3,400 \$ 3,400 \$ 3,400 Series B, 1, 5758, 780/123 6,000 6,730,008 \$ 3,400 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500 \$ 3,500			
Series A.MTF 2,60%, 1001/26 2,60%, 2003		2,250	2,415,600
5.65%, 1001/26 2,600 2,703,948 Municipal Book Pyrical Control Purch Control Embridat Concluded?) Security of Lee Florida, Refunding RB, Security Communities Security of Mamir-Dade Florida, GO, Building Better Communities \$3,856, 1001/25 \$3,400 \$3,420,599 \$3,400 \$3,420,599 \$3,400 \$3,420,599 \$3,400 \$3,400,599 \$3,400 \$3,400,599 \$3			
Municipal Bands Örgin Value Florida (concluded) 1 4		2 600	2 702 049
Munical Bonds (mone) Valve Floridat (concluded) 1	5.05%, 10/01/20	2,000	2,703,948
Munical Bonds (mone) Valve Floridat (concluded) 1			
Munical Bonds (mone) Valve Floridat (concluded) 1		Par	
County of Lee Florida, Refunding RB Say Sa	Municipal Bonds		Value
Series A, AMT (conclude(): 538%, 1001/32 \$ 3,40	· · · · · · · · · · · · · · · · · · ·		
5.38%, 1001/32 \$ 3,40 \$ 3,420,599 County of Miami-Dade Florida, GO, Building Better Communities Forgam: Frogram: 3,00 6,030,080 Series B. 5,38%, 701/28 6,000 6,730,080 Series B. 1, 5,75%, 701/33 3,00 4,012,317 County of Miami-Dade Florida, RB: 7,500 7,500 7,597,00 Miami International Airport, AMT 1,000 1,008,890 Miami International Airport, AMT 19,00 19,258,891 Riseria K. AMT, (AGM), 5,50%, 10,00 19,258,891 1001/41 19,00 19,258,891 Water & Sewer System (AGM), 11,700 12,160,161 County of Miami-Dade Florida, 11,700 12,160,161 County of Miami-Dade Florida, RB 11,700 10,545,370 Refunding RB 11,000 10,545,370 Series C (BHAC), 6,00%, 10/01/23 2,005 2,346,735 Series C (BHAC), 6,00%, 10/01/23 2,00 1,555,370 Series B (AGC), 5,25%, 5,501/3 1,55 1,889,860 Highlands County School Board, COP, 1,55 <td></td> <td></td> <td></td>			
County of Miami-Dade Florida, GO Series B S.38%, 7/01/28 3,00 4,012,315 5,028 5,38%, 7/01/28 3,00 4,012,315 5,028 5,38%, 7/01/28 3,00 4,012,315 5,000 5,		Ф 2.440	A 2 420 500
Building Better Communities Program: Series B, 6.38%, 7/01/28 6.000 6.730,080 Series B, 1, 5.75%, 7/01/33 3.00 4.01.2.317 Contry of Miami-Dade Florida, RB: Miami International Airport, AMT (NPFCC), 5.38%, 1/001/25 7.00 7.595,700 Miami International Airport, AMT (NPFCC), 5.38%, 1/001/27 1.00 1.008,890 Miami International Airport, AMT (NPFCC), 5.38%, 1/001/27 1.00 1.008,890 Miami International Airport, AMT (NPFCC), 5.38%, 1/001/27 1.00 1.008,890 Miami International Airport, Series A, AMT, (AGM), 5.90% 1.0001/49 1.000 1.008,890 Miami International Airport, Series A, AMT, (AGM), 5.90% 1.0001/19 1.000 1.008,890 Miami International Airport, Series C, AMT, (AGM), 5.00%, 1/001/39 1.000 1.008,890 Miami-Dade Florida, RE: Miami International Airport (AGC), 5.00%, 1/001/39 1.000 1.000,800 Miami-Dade Florida, RE: Miami International Airport (AGC), 5.00%, 1/001/39 1.000 1.000,800 Miami-Dade County Office of Miami-Dade County Office of Miami-Dade County Office of Miami-Dade County Office of Miami-Dade County General Miami-Dade County Health Facilities Authority, RB, Adventist Health System/Sunbel, Series B, 6.00%, 1/01/35 1.000 Miami-Dade County School Board, COP, 81 Series B, 6.00%, 1/01/30 1.000 Miami-Dade County School Board, COP, 81 Series B, 6.00%, 8/01/34 1.000 1.352,888 Miami-Dade County School Board, COP, 81 Series B, 6.00%, 8/01/34 1.000 1.352,888 Miami-Dade County School Board, COP, 81 Series B, 6.00%, 8/01/34 1.000		\$ 3,440	3,420,599
Pogram: Series B. 6.38%, 701/28 6.000 6,730.080 Series B. 1, 5.75%, 7/01/33 3,700 4,012,317 County of Miami-Dade Florida, RB: Topology of Miami-Dade Florida, RB: Miami International Airport, AMT (NPFGC), 5.38%, 100/127 1,000 1,008,890 Miami International Airport, AMT (NPFGC), 5.38%, 100/127 1,000 1,008,890 Miami International Airport, AGM 19,020 19,258,891 Wafer & Sewer System (AGM), 19,020 12,160,161 Souly of Miami-Dade Florida, 11,000 10,454,370 Refunding RB: 11,000 10,454,370 Scries C (BHAC), 6.00%, 10/01/23 11,000 10,454,370 (AGM), 5.00%, 70/1/35 2,00 2,884,560 Highlands County Health Facilities 11,500 1,889,860 Miami-Dade County School Board, COP, 11,500 1,889,860 Miami-Dade County School Board, COP, 1,200 1,352,888 RB, Series B (AGC), 5.25%, 50/131 1,200 1,352,888 Orange County School Board, COP, 1,200 1,352,888 RB, Series B (AGC), 5.50%, 80/1734	·		
Series B. 6.38%, 701/28 6,000 6,730,080 Series B. 1.575%, 701/33 3,700 4,012,317 County of Miami-Dade Florida, RB: Miami International Airport, AMT KIPFGC, 5.38%, 1001/25 7,500 7,595,700 Miami International Airport, AMT (RPFGC), 5.38%, 1001/27 1,000 1,008,890 Miami International Airport, Series A, AMT, (AGM), 5.50%, 1001/41 19,020 19,258,891 Water & Sewer System (AGM), 5.50%, 1001/193 11,000 1,160,161 County of Miami-Dade Florida, Refunding RB: """>""" Refunding RB: """ """ 1,000 10,545,370 Scries C (BHAC), 6.00%, 1001/23 20,095 23,465,735 AGMS, 5.00%, 7001/35 2,800 2,884,560 Highlands County Health Facilities """" 1,550 1,889,860 Miami-Dade County School Board, COP, RB, Series B, 6.00%, 1011/15/37 1,520 1,889,860 Miami-Dade County School Board, COP, Series A (AGC), 5.50%, 801/34 1,200 1,352,888 Orange County School Board, COP, Series A, 6,60%, 701/39 5,135 5,228,919 <td< td=""><td></td><td></td><td></td></td<>			
County of Miami-Dade Florida, RBT. T,500 7,595,700 Miami International Airport, AMT 7,595,700 7,595,700 Miami International Airport, AMT 1,000 1,008,800 NPFGC, S,38%, 100/127 1,000 1,008,800 Miami International Airport, 8 1,000/141 19,000 1,925,801 Series A, AMT, (AGM), 5.50%, 100/149 10,001 1,260,161 1,006,100 1,260,161 County of Miami-Dade Florida, RB. 8 8 1,000 1,260,161 1,000 1,054,370 1,000 1,054,370 1,000 1,054,370 1,000 1,054,370 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005 2,346,735 2,005		6,000	6,730,080
Miami International Airport, AMT (NPFCQ, 5.38%, 1001/25 7,500 7,595,700 Miami International Airport, AMT (NPFCQ, 5.38%, 1001/27 1,000 1,008,809 Miami International Airport, AMT (NGM), 5.50%, 1001/14 1,000 1,9258,891 Water & Sewer System (AGM), 5.50%, 1001/19 1,900 1,9258,891 Water & Sewer System (AGM), 5.00%, 1001/19 1,1700 1,260,161 County of Miami-Dade Florida, 1001/14 1,1700 1,261,161 William International Airport (AGC), 5.00%, 1001/19 1,1000 1,054,370 Series C (BHAC), 6.00%, 10/10/123 2,009 23,465,735 Series C (BHAC), 6.00%, 10/10/123 2,009 2,844,500 Highlands County Realth Facilities 3,000 1,500 1,889,800 Highlands County School Board, COP, 11/15/37 1,500 1,889,800 1,889,800 Highlands County School Board, COP, 25%, 50/13/1 1,200 1,525,888 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800 1,889,800		3,700	4,012,317
(NPFGC), 5.38%, 1001/25 7,500 7,595,700 Miami International Airport, AMT 1,000 1,008,890 Miami International Airport, AMT 1,000 1,008,890 Miami International Airport, AMT 1,000 19,258,891 Water & Sewer System (AGM), 11,700 19,258,891 Water & Sewer System (AGM), 11,700 12,160,161 County of Miami-Dade Florida, 8 8 Refunding RB: 11,000 10,545,370 Sories C (BhAC), 6,00%, 10/01/23 20,095 23,456,735 (AGM), 5,00%, 7/01/35 2,800 2,884,560 Highlands County Health Facilities 4 1,750 1,889,860 Miami-Dade County School Board, COP, 1,750 1,889,860 Miami-Dade County School Board, COP, 1,750 1,889,860 Miami-Dade County School Board, COP, 1,200 1,352,888 Orange County School Board, COP, 1,200 12,200,600 Series A (AGC), 5,50%, 8/01/34 1,20 12,200,600 Series A (AGC), Solow, 8/01/44 1,00 1,352,888 Burker County Development			
Miami International Airport, AMT 1,000 1,008,890 Miami International Airport, Series A, AMT. (AGM), 5.50%, 19,020 19,258,891 Water & Sewer System (AGM), 11,700 12,160,161 5,00%, 10/01/39 11,700 12,160,161 County of Miami-Dade Florida, Series C Miami-Dade Florida, Series C Miami-Dade Florida, Refunding RB: 11,000 10,545,370 Soo%, 10/01/40 11,000 10,545,370 Series C (BHAC), 6,00%, 10/01/23 20,905 23,465,735 (AGM), 5,00%, 7/01/35 280 2,844,500 Highlands County Health Facilities Series B, 6,00% 11,750 1,889,800 Miami-Dade County School Board, COP, 1,890 1,889,800 Miami-Dade County School Board, COP, 1,200 12,720,600 RB, Series B, 6,60C%, 2,52%, 5/01/31 1,200 12,720,600 Series A, (AGC), 5,50%, 8/01/34 1,00 12,720,600 Series A, (AGC), 5,50%, 8/01/34 1,00 12,720,600 Series A, (AGC), 5,50%, 8/01/39 5,135 5,228,919 Project, Series A, 5,63%, 7/01/39		7,500	7,595,700
Maini International Airport, Series A, AMT. (AGM), 5.50%, 19,020 19,258,891 Water & Sewer System (AGM), 11,700 12,160,161 County of Miami-Dade Florida, 11,700 12,160,161 Refunding RB: 11,000 10,545,370 Sow, 10/01/40 11,000 10,545,375 Series C (BHAC), 6.00%, 10/01/23 20,095 23,465,735 KaGM), 5.00%, 70/1/35 280 2,884,500 Highlands County Health Facilities 1,750 1,889,860 Miami-Dade County School Board, COP, 1,750 1,889,860 Miami-Dade County School Board, COP, 1,290 1,352,888 Orange County School Board, COP, 1,290 1,352,888 Orange County School Board, COP, 1,290 1,270,600 Series A (AGC), 5,50%, 8/01/34 1,200 12,720,600 Sarasota Memorial Hospital 1,200 12,720,600 Foorgia 1.9% 151,113,932 Burke County Development Authority, 1,201 6,676,911 RB, Oglethorpe Power Corp., Vogtle 1,000 10,350,000 Project, Series C, 5.70%, 1/01/43 <td></td> <td></td> <td></td>			
Series A, AMT, (AGM), 5.50%, 10/01/41 19,020 19,258,891 10/01/41 19,020 19,258,891 Water & Sewer System (AGM), 5,00%, 10/01/39 11,700 12,160,161 County of Miami-Dade Florida, Refunding RB: ***********************************	(NPFGC), 5.38%, 10/01/27	1,000	1,008,890
10/01/41	-		
Water & Sewer System (AGM), 11,700 12,160,161 5.00%, 10/01/39 11,700 12,160,161 County of Miami-Dade Florida, ************************************		10.020	10.250.001
5.00%, 10/01/39 11,700 12,160,161 County of Miami-Dade Florida, Refunding RB: Miami International Airport (AGC), 11,000		19,020	19,258,891
County of Miami-Dade Florida, Refunding RB: Refunding RB: Harmational Airport (AGC),		11 700	12 160 161
Refunding RB: Miami International Airport (AGC), 11,000 10,545,370 Scries C (BHAC), 6.00%, 10/01/23 20,095 23,465,735 (AGM), 5.00%, 7/01/35 2,800 2,884,560 Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 1,750 1,889,860 Miami-Dade County School Board, COP, 8 1,750 1,389,860 Miami-Dade County School Board, COP, 2 1,200 1,352,888 Orange County School Board, COP, 2 1,200 12,720,600 Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Series A, 6.30%, 7/01/39 5,135 5,228,919 Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 Burke County Development Authority, 8 8 Burke County Development Authority, 8 6,450 6,676,911 City of Atlanta Georgia, RB, General, 8 6,450 6,676,911 City of Atlanta Georgia, RB, General, 8 10,000 10,350,000	, , , , , , , , , , , , , , , , , , ,	11,700	12,100,101
Miami International Airport (AGC), 11,000 10,545,370 5.00%, 10/01/40 20,095 23,465,735 CRGM, 5.00%, 7/01/35 20,095 2,884,560 Highlands County Health Facilities 4,800 2,884,560 Authority, RB, Adventist Health 4,800 4,800 System/Sunbelt, Series B, 6,00%, 1,750 1,889,860 Miami-Dade County School Board, COP, 1,290 1,352,888 RB, Series B (AGC), 5,25%, 5/01/31 1,290 12,720,600 Sarasota County School Board, COP, 12,000 12,720,600 Sarasota County Public Hospital District, 8 1,200 12,720,600 Sarasota Memorial Hospital 5,135 5,228,919 151,113,932 Georgia 1.9% 151,113,932 151,113,932 151,113,932 Burke County Development Authority, 8 6,450 6,676,911 6,676,911 6,450 6,676,911 6,676,911 6,676,911 6,450 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911 6,676,911	·		
Series C (BHAC), 6.00%, 10/01/23 20,095 23,465,735 (AGM), 5.00%, 7/01/35 2,800 2,884,560 Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37 1,750 1,889,860 Miami-Dade County School Board, COP, RB, Series B (AGC), 5.25%, 5/01/31 1,290 1,352,888 Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital 5 1,068,491 System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 In 1,005 1,068,491 1,005,402			
(AGM), 5.00%, 7/01/35 2,800 2,884,560 Highlands County Health Facilities 3 Authority, RB, Adventist Health 3 System/Sunbelt, Series B, 6.00%, 1,750 1,889,860 Miami-Dade County School Board, COP, 3 1,290 1,352,888 Orange County School Board, COP, 3 1,290 1,2720,600 Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, 8 1,290 12,720,600 Sarasota Memorial Hospital 5,135 5,228,919 151,113,932 Georgia 1.9% Burke County Development Authority, 8 1,200 1,200 1,11,13,932 Herrich County Development Authority, 8 6,450 6,676,911 6,676,911 City of Atlanta Georgia, RB, General, 6,450 6,676,911		,	, ,
Highlands County Health Facilities Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 1/17/5/7 1,750 1,889,860 Miami-Dade County School Board, COP, RB, Series B (AGC), 5.25%, 5/01/31 1,290 1,352,888 Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 I 8,095,402			
Authority, RB, Adventist Health System/Sunbelt, Series B, 6.00%, 11/15/37 1,750 1,889,860 Miami-Dade County School Board, COP, RB, Series B (AGC), 5.25%, 5/01/31 1,290 1,352,888 Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 151,113,932 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogitle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 L8,095,402		2,800	2,884,560
System/Sunbelt, Series B, 6.00%, 11/15/37 1,750 1,889,860 Miami-Dade County School Board, COP,	•		
11/15/37 1,750 1,889,860 Miami-Dade County School Board, COP, 1,290 1,352,888 Orange County School Board, COP, 5,50%, 8/01/34 12,000 12,720,600 Series A (AGC), 5,50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5,63%, 7/01/39 5,135 5,228,919 Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5,70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5,25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5,50%, 7/01/41 1,025 1,068,491 1,001/41 1,025 1,068,491	•		
RB, Series B (AGC), 5.25%, 5/01/31 Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 1,068,491		1,750	1,889,860
Orange County School Board, COP, Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 1,005 18,095,402	Miami-Dade County School Board, COP,		
Series A (AGC), 5.50%, 8/01/34 12,000 12,720,600 Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 6eorgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,068,491 1,025 1,068,491 1,8095,402		1,290	1,352,888
Sarasota County Public Hospital District, RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 151,113,932 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402		40.00	
RB, Sarasota Memorial Hospital Project, Series A, 5.63%, 7/01/39 5,135 5,228,919 151,113,932 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402		12,000	12,720,600
Project, Series A, 5.63%, 7/01/39 Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402			
Seorgia 1.9%		5.135	5.228.919
Georgia 1.9% Burke County Development Authority, RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 1,025 1,068,491 7/01/41 1,025 1,068,491 18,095,402	rigides, boiles ri, close is, morrey	5,100	
RB, Oglethorpe Power Corp., Vogtle Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402	Georgia 1.9%		
Project, Series C, 5.70%, 1/01/43 6,450 6,676,911 City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402			
City of Atlanta Georgia, RB, General, Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402		ć 450	
Series B (AGM), 5.25%, 1/01/33 10,000 10,350,000 Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,068,491 18,095,402		6,450	6,6/6,911
Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402		10,000	10.350.000
Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402		10,000	10,220,000
System, Series D (AGM), 5.50%, 7/01/41 1,025 1,068,491 18,095,402			
18,095,402	System, Series D (AGM), 5.50%,		
	7/01/41	1,025	
HIIIIUIS 17.076	Ulinois 17.6%		18,095,402
	11111UIS 17.070		

Chicago Board of Education, GO,		
Series A:		
5.50%, 12/01/39 (c)	6,470	6,854,965
Chicago Board of Education, GO,		
Refunding, CAB, School Reform, Series		
A (NPFGC), 4.79%, 12/01/22 (b)	7,430	4,395,439
Chicago Park District, GO, Harbor		
Facilities, Series C:		
5.25%, 1/01/37	4,000	4,210,760

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

OCTOBER 31, 2011

Schedule of Investments (continued)

	Par	
Municipal Bonds	(000)	Value
Illinois (concluded)		
Chicago Park District, GO, Harbor		
Facilities, Series C (concluded):		
5.25%, 1/01/40	\$ 1,505	\$ 1,579,693
Chicago Transit Authority, Sales Tax		
Revenue, RB, 5.25%, 12/01/36 (c)	1,620	1,675,048
City of Chicago Illinois, ARB, General,		
Third Lien, Series B-2, AMT (NPFGC),		
5.25%, 1/01/27	10,000	10,070,400
6.00%, 1/01/27	26,230	27,267,921
City of Chicago Illinois, GO, CAB, City		
Colleges (NPFGC) (b):		
5.75%, 1/01/29	5,000	1,889,450
6.16%, 1/01/33	7,950	2,201,117
City of Chicago Illinois, RB:		
Second Lien, Series A (AMBAC),		
5.00%, 11/01/36	3,500	3,516,905
O Hare International Airport,		
General Third Lien, Series A,		
5.75%, 1/01/39	9,000	9,822,690
City of Chicago Illinois, Refunding RB,		
ARB, O Hare International Airport,		
General, Third Lien, Series C-2, AMT		
(AGM), 5.25%, 1/01/30	16,400	16,421,976
Illinois Finance Authority, RB, Series A,		
5.75%, 8/15/34	8,700	8,763,858
Illinois Finance Authority, Refunding RB,		
Northwestern Memorial Hospital,		
Series A, 6.00%, 8/15/39	5,250	5,747,752
Illinois Municipal Electric Agency, RB,		
Series A (NPFGC):		
5.00%, 2/01/35	19,775	20,259,290
5.25%, 2/01/35	15,000	15,519,750
Illinois State Toll Highway Authority, RB,		
Series B:		
5.50%, 1/01/33	4,000	4,219,680
(BHAC), 5.50%, 1/01/33	2,000	2,120,880
Kane, Kendall, Etc. Counties Community		
College District No. 516 Illinois, GO,		
CAB, Series E (NPFGC), 5.26%,		
12/15/25 (b)	8,750	4,203,675
Metropolitan Pier & Exposition Authority,		
RB, CAB, McCormick Place Expansion		
Project, Series A (NPFGC) (b):		
5.96%, 6/15/32	14,000	4,170,040
6.04%, 12/15/34	10,000	2,526,100
Metropolitan Pier & Exposition Authority,		
Refunding RB, CAB, McCormick Place		
Expansion Project, Series B (AGM) (b):		
5.58%, 6/15/27	3,575	1,513,119
6.16%, 6/15/44	9,430	1,303,037

Railsplitter Tobacco Settlement		
Authority, RB, 6.00%, 6/01/28	1,700	1,767,694
Regional Transportation Authority, RB,		
Series C (NPFGC), 7.75%, 6/01/20	1,000	1,227,440
		163,248,679

		Par		
Municipal Bonds Indiana 3.1%	((000)		Value
City of Indianapolis Indiana, Refunding				
RB, Second Lien, Series B (AGC),				
5.25%, 8/15/27	\$	5,000	\$	5,325,250
Indiana Finance Authority, RB,	Ψ	5,000	Ψ	3,323,230
Wastewater Utility, 5.25%, 10/01/38		2,900		3,093,865
Indiana Municipal Power Agency, RB:		,		, ,
Series A (NPFGC), 5.00%,				
1/01/37		4,750		4,864,712
Series B, 5.75%, 1/01/34		1,050		1,078,476
Series B, 6.00%, 1/01/39		5,000		5,457,950
Indianapolis Local Public Improvement				
Bond Bank, Refunding RB,				
Waterworks Project, Series A:		2 000		2 1 41 010
5.75%, 1/01/38		2,900		3,141,918
(AGC), 5.25%, 1/01/29		1,350		1,449,819
(AGC), 5.50%, 1/01/38		4,250		4,574,998 28,986,988
Iowa 1.4%				20,900,900
Iowa Finance Authority, RB, Series A				
(AGC), 5.63%, 8/15/37		12,650		13,287,054
Kentucky 1.3%		,		,,
Kentucky State Property & Buildings				
Commission, Refunding RB, Project				
No. 93 (AGC), 5.25%, 2/01/28		4,000		4,298,720
Louisville & Jefferson County				
Metropolitan Sewer District Kentucky,				
RB, Series A (NPFGC), 5.25%,				
5/15/37		7,000		7,449,960
I antidono 100				11,748,680
Louisiana 1.0% Jefferson Parish Hospital Service District				
No. 1, Refunding RB, Ref-w Jefferson				
Med Ctr, Series A (AGM), 6.00%,				
1/01/39		2,150		2,251,609
New Orleans Aviation Board Louisiana,		2,100		2,201,003
RB, New Orleans Aviation, Series A,				
AMT (AGM), 5.25%, 1/01/32		6,605		6,750,971
				9,002,580
Massachusetts 4.5%				
Massachusetts HFA, RB:				
S/F Housing, Series 128 AMT				
(AGM), 4.88%, 12/01/38 (d)		8,260		8,192,186
Series B, 7.00%, 12/01/38		3,440		3,815,682
Massachusetts HFA, Refunding RB:				
Housing Development, Series B (NPFGC), 5.40%, 12/01/28		1,835		1,835,312
Rental Housing, Series A AMT		1,633		1,033,312
(AGM), 5.15%, 7/01/26		15,490		15,634,057
Series C, AMT, 5.35%,		13,770		13,034,037
12/01/42		3,100		3,123,188
Massachusetts Port Authority,		9,425		9,207,188
Refunding RB, BOSFUEL Project, AMT				

(NPFGC), 5.00%, 7/01/38 41,807,613

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

OCTOBER 31, 2011

Schedule of Investments (continued)

	Par	
Municipal Bonds	(000)	Value
Michigan 10.1%		
City of Detroit Michigan, RB,		
Series B (AGM):		
Senior Lien, 7.50%, 7/01/33	\$ 1,800	\$ 2,133,882
Second Lien, 6.25%, 7/01/36	1,075	1,205,387
Second Lien, 7.00%, 7/01/36	500	589,125
City of Detroit Michigan, Refunding RB:		
Series C (NPFGC), 5.00%, 7/01/22	4,540	4,617,952
Senior Lien, Series D (AGM), 5.00%,		
7/01/23	9,085	9,258,433
Senior Lien, Series C-1 (AGM),		
7.00%, 7/01/27	1,500	1,755,600
Series D (NPFGC), 5.00%, 7/01/33	5,000	5,001,700
Kalamazoo Hospital Finance Authority,		
RB, Bronson Methodist Hospital		
(AGM), 5.25%, 5/15/36	1,160	1,186,402
Lansing Board of Water & Light Utilities,		
RB, Series A, 5.50%, 7/01/41	3,185	3,505,666
Michigan State Building Authority,		
Refunding RB, Facilities Program:		
Series I, (AGC), 5.25%, 10/15/24	1,750	1,930,740
Series I, (AGC), 5.25%, 10/15/25	3,250	3,565,737
Series II-A, (AGM), 5.25%,		
10/15/36	8,040	8,565,896
Series I-A, 5.38%, 10/15/36	2,075	2,231,434
Series I, 6.25%, 10/15/38	3,125	3,487,937
Series II-A, 5.38%, 10/15/41	1,900	2,033,760
Michigan State Finance Authority,		
Refunding RB, Trinity Health Credit		
Group, 5.00%, 12/01/39	11,600	11,530,168
Michigan State HDA, RB, Series C,		
5.50%, 12/01/28	2,900	2,953,447
Michigan Strategic Fund, Refunding RB,		
Detroit Edison Co. Project, Series A		
(Syncora), 5.50%, 6/01/30	5,000	5,009,450
State of Michigan, RB, GAN (AGM):		
5.25%, 9/15/22	10,000	11,041,800
5.25%, 9/15/26	6,650	7,145,691
Wayne County Airport Authority,		
Refunding RB, AMT (AGC), 5.38%,		
12/01/32	5,000	5,027,550
		93,777,757
Minnesota 0.7%		
City of Minneapolis Minnesota,		
Refunding RB, Fairview Health		
Services, Series B (AGC), 6.50%,		
11/15/38	5,500	6,167,810
Nevada 3.9%		
City of Las Vegas Nevada, GO, Limited		
Tax, Performing Arts Center, 6.00%,		
4/01/34	2,250	2,508,750

County of Clark Nevada, RB:			
Las Vegas-McCarran International			
Airport, Series A (AGC), 5.25%, 7/01/39	5,170		5,389,156
Subordinate Lien, Series A-2			
(NPFGC), 5.00%, 7/01/30	20,000		20,207,400
	Par		
Municipal Bonds	(000)		Value
Nevada (concluded)			
Las Vegas Convention & Visitors Authority, RB (AMBAC), 5.00%,			
7/01/37	\$ 8,500	\$	8,526,265
	φ 0,200	Ψ.	36,631,571
New Jersey 4.3%			, ,
New Jersey EDA, RB, Cigarette Tax,			
5.75%, 6/15/34	4,000		3,773,040
New Jersey EDA, Refunding RB, School			
Facilities Construction, Series N-1:	10,000		11 421 200
(AMBAC), 5.50%, 9/01/24 (NPFGC), 5.50%, 9/01/28	10,000 1,685		11,421,200 1,892,946
New Jersey Higher Education Student	1,063		1,092,940
Assistance Authority, RB, Series 1,			
AMT:			
5.50%, 12/01/25	1,250		1,284,012
5.50%, 12/01/26	1,800		1,833,390
5.75%, 12/01/28	200		206,320
5.88%, 12/01/33	6,895		7,168,456
New Jersey Transportation Trust Fund Authority, RB, Transportation Systems:			
Series A, (NPFGC), 5.75%, 6/15/25	4,250		4,913,467
Series C, CAB (AGC), 5.16%,	7,230		4,713,407
12/15/25 (b)	15,735		7,664,204
			40,157,035
New York 2.6%			
City of New York, New York, GO, Series J,	40.000		40.0=4.000
5.25%, 5/15/24 Hydgen Yords Infrastructure Comp. DD	10,000		10,875,800
Hudson Yards Infrastructure Corp., RB, 5.75%, 2/15/47	1,920		2,033,107
New York City Transitional Finance	1,920		2,033,107
Authority, RB, Fiscal 2009, Series S-4,			
5.50%, 1/15/34	7,250		7,900,832
New York State Dormitory Authority,			
ERB, Series B, 5.25%, 3/15/38	3,250		3,522,123
North Complete 0.00			24,331,862
North Carolina 0.6% North Carolina Medical Care			
Commission, RB, Novant Health			
Obligation, Series A, 4.75%,			
11/01/43	6,175		5,672,108
Ohio 0.6%			
County of Lucas Ohio, Refunding RB,			
Promedica Healthcare, Series A,	2.000		2.415.266
6.50%, 11/15/37 Ohio Higher Educational Facility	3,000		3,415,260
Ohio Higher Educational Facility Commission, Refunding RB, Summa			
Health System, 2010 Project (AGC),			
5.25%, 11/15/40	2,450		2,473,618
	,		5,888,878
Pennsylvania 2.8%			
Pennsylvania Turnpike Commission, RB:			

Series A (AMBAC), 5.50%,

12/01/31 15,600 16,716,180

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

OCTOBER 31, 2011

Schedule of Investments (continued)

	Par	
Municipal Bonds	(000)	Value
Pennsylvania (concluded)		
Pennsylvania Turnpike Commission, RB		
(concluded):		
Subordinate, Special Motor		
License Fund, 6.00%,		
12/01/36	\$ 2,575	\$ 2,970,262
Sub-Series C (AGC), 6.25%,	5.605	C 40C 070
6/01/38	5,695	6,496,970
Puerto Rico 2.9%		26,183,412
Puerto Rico Public Buildings Authority,		
Refunding RB, Government Facilities,		
Series M-3 (NPFGC):		
6.00%, 7/01/27	3,720	3,937,062
6.00%, 7/01/28	1,780	1,873,539
Puerto Rico Sales Tax Financing Corp.,	1,700	1,073,337
RB, First Sub-Series A:		
5.75%, 8/01/37	2,000	2,096,540
6.38%, 8/01/39	10,195	11,299,526
5.50%, 8/01/42	5,155	5,313,001
Puerto Rico Sales Tax Financing Corp.,	,	, ,
Refunding RB:		
First Sub-Series C, 6.00%,		
8/01/39	1,180	1,281,858
Series A, (NPFGC), 6.35%,		
8/01/41 (b)	7,500	1,167,825
		26,969,351
South Carolina 0.5%		
South Carolina Jobs-EDA, Refunding RB,		
Palmetto Health, Series A (AGM), 6.50%,		
8/01/39	3,600	3,939,624
South Carolina State Housing Finance &		
Development Authority, Refunding RB,		
Series A-2, AMT (AGM), 6.35%,	207	•••
7/01/19	285	289,001
TD 0.50		4,228,625
Tennessee 0.5%		
Memphis Center City Revenue Finance		
Corp., RB, Pyramid and Pinch		
Distribution, Series B (AGM), 5.25%, 11/01/30	3,120	3,314,532
Tennessee Housing Development	3,120	3,314,332
Agency, Refunding RB,		
Homeownership Program, Series A,		
AMT (AGM), 5.35%, 1/01/26	1,350	1,350,540
1111 (11011), 5.55 %, 1101120	1,550	4,665,072
Texas 13.4%		7,003,072
City of Houston Texas, RB, Combined,		
First Lien, Series A (AGM), 5.00%,		
11/15/36	10,000	10,411,800
	10,000	20,111,000

 City of Houston Texas, Refunding RB,

 Combined, First Lien, Series A (AGC):

 6.00%, 11/15/35
 5,700
 6,507,234

 5.38%, 11/15/38
 3,650
 3,956,490

Municipal Bonds	Pa (00			Value
Texas (concluded)	(00	,0)		v uruc
Dallas-Fort Worth International Airport				
Facilities Improvement Corp.,				
Refunding RB, Joint Series A, AMT				
(NPFGC), 5.63%, 11/01/26	\$	12,210	\$	12,222,088
Dallas ISD, GO, School Building (PSF-	Ψ	12,210	Ψ	12,222,000
GTD), 6.38%, 2/15/34		10.000		12,032,000
Grand Prairie ISD Texas, GO, Refunding,		10,000		12,032,000
CAB, 5.84%, 8/15/28 (b)		10,000		3,807,700
Harris County Hospital District, RB,		10,000		3,007,700
Senior Lien, Series A (NPFGC), 5.25%,				
2/15/37		5,950		6,034,490
Harris County-Houston Sports Authority,		3,730		0,034,470
Refunding RB, Senior Lien, Series G				
(NPFGC), 5.25%, 11/15/30		5,000		4,658,100
Judson ISD Texas, GO, School Building		3,000		4,030,100
(AGC), 5.00%, 2/01/37		10,000		10,292,000
North Texas Tollway Authority,		10,000		10,292,000
· · · · · · · · · · · · · · · · · · ·				
Refunding RB, First Tier, System:		6,275		6,951,006
First Tier Series A, 6.00%, 1/01/28 Series A, (NPFGC), 5.13%, 1/01/28		20,000		20,950,400
Series B, (NPFGC), 5.75%, 1/01/40		10,000		10,419,900
Texas Department of Housing &		10,000		10,419,900
,				
Community Affairs, MRB, Series A,		2 970		2 992 101
AMT (NPFGC), 5.45%, 9/01/23 Texas State Turnpike Authority, RB, First		3,870		3,882,191
Tier, Series A (AMBAC): 5.50%, 8/15/39		5,500		5,483,940
5.00%, 8/15/42		6,900		6,576,873
5.00 /0, 6/15/142		0,900		124,186,212
Utah 1.6%				124,160,212
Utah Transit Authority, Refunding RB,				
CAB, Sub-Series A (b):				
(AGC), 4.73%, 6/15/20		10,000		7,039,700
(NPFGC), 4.11%, 6/15/24		13,930		7,725,996
(111100), 4.11 1/0, 0/13/24		13,930		14,765,696
Vermont 0.3%				14,705,090
Vermont HFA, HRB, Series 12B, AMT				
(AGM), 6.30%, 11/01/19		255		260,113
Vermont HFA, Refunding RB, Multiple		233		200,113
Purpose, Series C, AMT (AGM), 5.50%,				
11/01/38 (d)		2,145		2,205,360
11/01/30 (d)		2,173		2,465,473
Washington 1.1%				2,403,473
Washington Health Care Facilities				
Authority, RB, Series A, Providence				
Health & Services:				
5.00%, 10/01/39		1,125		1,130,321
5.25%, 10/01/39		2,725		2,793,807
Washington Health Care Facilities		2,123		2,193,001
Authority, Refunding RB, Catholic				
Health Initiatives, Series D, 6.38%,				
10/01/36		5,400		6,067,440
10/01/30		2,400		9,991,568
				7,771,500

BLACKROCK MUNIYIELD QUALITY FUND III, INC.

OCTOBER 31, 2011

Schedule of Investments (continued)

Manistral Bands	Pa			Y-l
Municipal Bonds Wisconsin 1.2%	(000	J)		Value
Wisconsin Health & Educational				
Facilities Authority, RB:				
Ascension Health Senior Credit				
Group, 5.00%, 11/15/33	\$	3,745	\$	3,870,083
Froedtert & Community		- ,		- , ,
Health, Inc., 5.25%, 4/01/39		3,500		3,540,530
SynergyHealth Inc., 6.00%,				
11/15/32		3,395		3,462,323
				10,872,936
Total Municipal Bonds 110.6%				1,026,348,432
Municipal Bonds Transferred to Tender Option Bond (TOB) Trusts (e)				
Arizona 1.6%				
Arizona School Facilities Board, COP				
(AGC), 5.13%, 9/01/21)		10,000		10,949,600
Salt River Project Agricultural				
Improvement & Power District, RB,				
5.00%, 7/01/16		3,500		3,669,925
				14,619,525
California 12.3%				
Alameda County Joint Powers Authority,				
Refunding RB, Lease (AGM), 5.00%,				
12/01/15		6,990		7,260,583
California State University, RB (AGM):		40.40.5		40.004.
5.00%, 5/01/15		18,435		18,834,773
Systemwide, Series A, 5.00%,		7.006		0.265.164
11/01/33 City of Diversida California DD Jasua D		7,996		8,265,164
City of Riverside California, RB, Issue D		20,000		20,552,000
(AGM), 5.00%, 4/01/16 Foothill-De Anza Community College		20,000		20,332,000
District, GO, Election of 1999,				
Series C (NPFGC), 5.00%, 8/01/36		7,500		7,734,600
Las Virgenes Unified School District		7,000		7,72 1,000
California, GO, Series A (AGM), 5.00%,				
8/01/31		10,000		10,284,340
Los Angeles Community College District,				
GO, Election of 2008, Series A,				
6.00%, 8/01/33		5,248		5,982,015
Orange County Sanitation District, COP,				
Series B (AGM), 5.00%, 2/01/15		10,780		11,243,755
San Diego Community College District				
California, GO, Election of 2002,				
5.00%, 2/01/17		1,047		1,140,616
San Diego County Water Authority, COP,				
Refunding, Series 2008-A (AGM),		0.670		0.007.105
5.30%, 5/01/16		9,370		9,825,101
San Francisco Bay Area Rapid Transit		10.000		10 245 (70
District, RB (AGM), 5.00%, 7/01/36		10,000	Enhan	10,345,670
		2,205		

University of California, RB, Series O, 5.75%, 5/15/34