

BLACKROCK MUNIYIELD MICHIGAN QUALITY FUND, 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 811-07080

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

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield

Michigan Quality Fund, Inc., 55 East 52<sup>nd</sup> Street, New York, NY 10055

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 07/31/2019

Date of reporting period: 10/31/2018

Item 1 Schedule of Investments

Schedule of Investments (unaudited)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i>  |
|--|----------------------|---------------|
| <b>Municipal Bonds 140.4%</b>  |                      |               |
| <b>Michigan 140.4%</b>   |                      |               |
| <b>Corporate 3.9%</b>  |                      |               |
| County of Monroe Michigan EDC, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 09/01/22  | \$ 14,500            | \$ 16,773,455 |
| <b>County/City/Special District/School District 29.1%</b>  |                      |               |
| Anchor Bay School District, GO, Refunding, (Q-SBLF):   |                      |               |
| 4.38%, 05/01/27  | 1,600                | 1,664,688     |
| 4.50%, 05/01/29  | 1,505                | 1,564,086     |
| Battle Creek School District Michigan, GO, Refunding, (Q-SBLF):  |                      |               |
| 5.00%, 05/01/35  | 1,100                | 1,209,505     |
| 5.00%, 05/01/36  | 1,500                | 1,644,135     |
| 5.00%, 05/01/37  | 1,170                | 1,280,003     |
| Berkley School District, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/35                                | 2,965                | 3,243,087     |
| Byron Center Public Schools, GO, School Building & Site, Series I (Q-SBLF):                                  |                      |               |
| 5.00%, 05/01/43  | 4,475                | 4,899,275     |
| 5.00%, 05/01/47  | 740                  | 802,293       |
| Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 05/01/38       | 5,185                | 5,627,799     |
| Comstock Park Michigan Public Schools, GO, School Building & Site, Series B (Q-SBLF) <sup>(a)</sup> :        |                      |               |
| 5.50%, 05/01/21  | 1,200                | 1,296,012     |
| 5.50%, 05/01/21  | 2,185                | 2,359,822     |
| Country of Saginaw Michigan, GO,   |                      |               |
| 4.00%, 11/01/42  | 2,000                | 2,001,500     |
| County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 05/01/19                                 | 1,000                | 1,014,620     |
| Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 05/01/39 | 5,300                | 5,381,779     |
| Dearborn School District, GO, School Building & Site, Series A (Q-SBLF):                                     |                      |               |
| 5.00%, 05/01/32  | 1,500                | 1,652,160     |
| 5.00%, 05/01/33  | 1,600                | 1,756,048     |
| 5.00%, 05/01/34  | 1,200                | 1,313,520     |
| Dowagiac Union School District, GO, (Q-SBLF), 5.00%, 05/01/41  | 1,140                | 1,233,936     |
| East Lansing School District, GO, School Building & Site, Series I (Q-SBLF):                                 |                      |               |
| 5.00%, 05/01/35  | 700                  | 780,416       |
|  | <i>Par</i>           | <i>Value</i>  |
| <i>Security</i>  | <i>(000)</i>         |               |
| <b>County/City/Special District/School District (continued)</b>  |                      |               |
| East Lansing School District, GO, School Building & Site, Series I (Q-SBLF) (continued):                     |                      |               |
| 5.00%, 05/01/36  | \$ 550               | \$ 611,039    |
| 5.00%, 05/01/37  | 550                  | 607,635       |

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|   |       |           |
|---|-------|-----------|
| 5.00%, 05/01/39   | 740   | 810,722   |
| 5.00%, 05/01/42   | 1,000 | 1,087,960 |
| Farmington Public School District, GO, Refunding, School Building & Site (AGM):                             |       |           |
| 5.00%, 05/01/33   | 1,500 | 1,653,555 |
| 5.00%, 05/01/34   | 1,500 | 1,649,865 |
| 5.00%, 05/01/35   | 1,000 | 1,099,300 |
| Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%,<br>10/01/41            | 4,950 | 5,314,270 |
| Fraser Public School District, Refunding, GO, School Building & Site (Q-SBLF):                              |       |           |
| 5.00%, 05/01/38   | 750   | 819,960   |
| 5.00%, 05/01/43   | 2,000 | 2,166,860 |
| 5.00%, 05/01/47   | 3,225 | 3,484,322 |
| Gibraltar School District, GO, (Q-SBLF):  |       |           |
| 5.00%, 05/01/35   | 1,000 | 1,112,620 |
| 5.00%, 05/01/36   | 750   | 832,553   |
| Goodrich Area School District, GO, School Building & Site (Q-SBLF):   |       |           |
| 5.50%, 05/01/21 <sup>(a)</sup>  | 1,540 | 1,661,275 |
| 5.50%, 05/01/36   | 460   | 493,552   |
| Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):                                |       |           |
| 5.50%, 05/01/21 <sup>(a)</sup>  | 2,575 | 2,781,026 |
| 5.50%, 05/01/32   | 1,000 | 1,077,480 |
| Grand Rapids Public Schools, GO, Refunding Unlimited Tax (AGM), 5.00%, 05/01/29                             | 1,000 | 1,131,410 |
| Grandville Public Schools, GO, School Building & Site, Series II (AGM), 5.00%, 05/01/40                     | 3,250 | 3,493,977 |
| Gull Lake Community School District, GO, School Building & Site, Series I (Q-SBLF),<br>5.00%, 05/01/45      | 4,000 | 4,366,360 |
| Hudsonville Michigan Public Schools, GO, School Building & Site (Q-SBLF), 5.25%,<br>05/01/21 <sup>(a)</sup> | 6,750 | 7,257,802 |
| Hudsonville Public Schools, GO, Refunding Unlimited Tax (Q-SBLF):   |       |           |
| 5.00%, 05/01/38   | 1,835 | 2,008,976 |
| 5.00%, 05/01/40   | 2,450 | 2,669,226 |

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>  | <i>Par</i>   | <i>Value</i> |
|--|--------------|--------------|
|  | <i>(000)</i> |              |
| <b>County/City/Special District/School District (continued)</b>  |              |              |
| Jackson Michigan Public Schools, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/42                        | \$ 4,000     | \$ 4,409,880 |
| Kentwood Public Schools, GO, School Building & Site:<br>5.00%, 05/01/41                                      | 1,120        | 1,209,242    |
| 5.00%, 05/01/44  | 1,815        | 1,955,935    |
| Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 05/01/43                         | 5,000        | 5,428,750    |
| Mattawan Consolidated School District, GO, Series I (Q-SBLF), 5.00%, 05/01/39                                | 3,375        | 3,652,661    |
| Portage Public Schools, GO, Refunding School Building & Site:<br>5.00%, 11/01/36                             | 1,000        | 1,103,710    |
| 5.00%, 11/01/37  | 1,250        | 1,376,163    |
| Romeo Community School District, GO, Refunding School Building & Site, Series 1<br>(Q-SBLF), 5.00%, 05/01/41 | 2,150        | 2,327,160    |
| Troy School District, GO, School Building & Site (Q-SBLF), 5.00%, 05/01/28                                   | 2,000        | 2,223,580    |
| Walled Lake Consolidated School District, GO, School Building & Site (Q-SBLF):<br>5.00%, 05/01/37            | 2,850        | 3,109,920    |
| 5.00%, 05/01/40  | 2,630        | 2,866,043    |
| 5.00%, 05/01/43  | 1,530        | 1,663,615    |
| West Bloomfield School District, GO, School Building & Site (AGM), 5.00%, 05/01/35                           | 1,800        | 1,991,394    |
| Zeeland Public Schools, GO, School Building & Site, Series A (AGM):<br>5.00%, 05/01/33                       | 1,000        | 1,102,370    |
| 5.00%, 05/01/34  | 1,000        | 1,099,910    |
| 5.00%, 05/01/35  | 1,000        | 1,099,300    |
|  |              | 125,536,062  |
| <b>Education 24.3%</b>   |              |              |
| City of Grand Rapids Michigan, EDC, RB, Ferris State University Project, Series A,<br>5.50%, 10/01/35        | 760          | 803,654      |
| Eastern Michigan University, Refunding RB, Series A (BAM), 5.00%, 03/01/36                                   | 500          | 548,085      |
| Ferris State University, Refunding RB:<br>5.00%, 10/01/41  | 2,250        | 2,445,795    |
| General (AGM), 4.50%, 10/01/24   | 1,595        | 1,598,126    |
| General (AGM), 4.50%, 10/01/25   | 1,405        | 1,407,796    |
|  | <i>Par</i>   | <i>Value</i> |
|  | <i>(000)</i> |              |
| <b>Security</b>  |              |              |
| <b>Education (continued)</b>   |              |              |
| Lake Superior State University, RB, General (AGM), 5.00%, 01/15/48   | \$ 3,750     | \$ 4,027,163 |
| Michigan Finance Authority, Refunding RB:<br>College for Creative Studies, 4.00%, 12/01/33                   | 1,720        | 1,639,212    |
| College for Creative Studies, 5.00%, 12/01/36  | 1,550        | 1,606,870    |
| College for Creative Studies, 5.00%, 12/01/40  | 2,900        | 2,986,333    |
| College for Creative Studies, 5.00%, 12/01/45  | 4,400        | 4,520,868    |
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/29  | 5,900        | 5,958,646    |
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/30  | 2,850        | 2,872,002    |

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|  |        |             |
|--|--------|-------------|
| Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/31  | 3,150  | 3,167,357   |
| Michigan State University, Refunding RB, General, Series C:<br>5.00%, 02/15/40                                 | 8,470  | 8,722,999   |
| 5.00%, 02/15/44  | 1,000  | 1,030,510   |
| Michigan Technological University, RB, General, Series A, 5.00%, 10/01/45                                      | 1,800  | 1,971,432   |
| Northern Michigan University, Refunding RB, General, Series A,<br>5.00%, 12/01/35                              | 1,245  | 1,383,008   |
| Oakland University, RB:<br>5.00%, 03/01/41   | 3,635  | 3,921,256   |
| General, 5.00%, 03/01/32   | 400    | 426,996     |
| General, Series A, 5.00%, 03/01/38   | 5,490  | 5,907,130   |
| General, Series A, 5.00%, 03/01/43   | 16,845 | 18,103,658  |
| University of Michigan, RB, Series A,<br>5.00%, 04/01/39   | 3,425  | 3,819,218   |
| Wayne State University, GRB, Series A,<br>5.00%, 11/15/43  | 6,030  | 6,607,915   |
| Wayne State University, RB, General, Series A, 5.00%, 11/15/40   | 3,000  | 3,282,870   |
| Western Michigan University, Refunding RB, General, University and College<br>Improvements:<br>5.25%, 11/15/40 | 3,500  | 3,796,800   |
| 5.25%, 11/15/43  | 8,475  | 9,397,673   |
| (AGM), 5.25%, 11/15/33   | 1,000  | 1,111,350   |
| (AGM), 5.00%, 11/15/39   | 1,750  | 1,915,865   |
|  |        | 104,980,587 |

Schedule of Investments (unaudited) (continued)

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October 31, 2018

(Percentages shown are based on Net Assets)

| <i>Security</i>   | <i>Par<br/>(000)</i> | <i>Value</i> |
|---|----------------------|--------------|
| <b>Health 32.1%</b>   |                      |              |
| Grand Traverse County Hospital Finance Authority, RB, Series A:   |                      |              |
| 5.00%, 07/01/44   | \$ 4,230             | \$ 4,477,413 |
| 5.00%, 07/01/47   | 2,200                | 2,325,246    |
| Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM):                             |                      |              |
| 5.25%, 05/15/20 <sup>(a)</sup>  | 4,140                | 4,327,749    |
| 5.25%, 05/15/36   | 3,360                | 3,475,181    |
| Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A, 5.00%,<br>11/15/29   | 7,500                | 7,999,500    |
| Michigan Finance Authority, RB:   |                      |              |
| Beaumont Health Credit Group, 4.00%, 11/01/46   | 1,025                | 973,617      |
| Sparrow Obligated Group, 5.00%, 11/15/36  | 2,500                | 2,673,000    |
| Sparrow Obligated Group, 5.00%, 11/15/45  | 3,750                | 3,988,162    |
| Michigan Finance Authority, Refunding RB:   |                      |              |
| Henry Ford Health System, 5.00%, 11/15/37   | 3,000                | 3,242,940    |
| Henry Ford Health System, 5.00%, 11/15/41   | 1,000                | 1,073,110    |
| Henry Ford Health System, 3.25%, 11/15/42   | 1,145                | 939,003      |
| Henry Ford Health System, 4.00%, 11/15/46   | 8,500                | 8,046,950    |
| Hospital, McLaren Health Care, 5.00%, 05/15/32  | 1,000                | 1,096,120    |
| Hospital, McLaren Health Care, 5.00%, 05/15/33  | 2,000                | 2,183,660    |
| Hospital, McLaren Health Care, 5.00%, 05/15/34  | 5,000                | 5,440,800    |
| Hospital, McLaren Health Care, 5.00%, 05/15/34  | 1,500                | 1,632,240    |
| Hospital, McLaren Health Care, 5.00%, 05/15/35  | 4,945                | 5,359,935    |
| Hospital; Trinity Health Credit Group,<br>5.00%, 12/01/39   | 4,980                | 5,249,816    |
| MidMichigan Health, 5.00%, 06/01/39   | 1,500                | 1,610,760    |
| Trinity Health Credit Group, 5.00%, 12/01/21 <sup>(a)</sup>   | 20                   | 21,609       |
| Trinity Health Credit Group, 5.00%, 12/01/31  | 5,000                | 5,331,550    |
| Trinity Health Credit Group, 5.00%, 12/01/35  | 6,500                | 6,891,430    |
|   | <i>Par<br/>(000)</i> | <i>Value</i> |
| <b>Health (continued)</b>   |                      |              |
| Michigan State Hospital Finance Authority, RB, Ascension Health Senior Credit Group,<br>5.00%, 11/15/25 | \$ 6,000             | \$ 6,161,760 |
| Michigan State Hospital Finance Authority, Refunding RB:  |                      |              |
| Ascension Senior Credit Group,<br>5.00%, 11/15/47   | 2,750                | 2,980,615    |
| Henry Ford Health System, 5.75%, 11/15/19 <sup>(a)</sup>  | 3,165                | 3,284,099    |
| Hospital, Oakwood Obligated Group,<br>5.00%, 11/01/32   | 4,000                | 4,310,200    |
| McLaren Health Care, Series A,<br>5.00%, 06/01/35   | 2,250                | 2,396,137    |
| Trinity Health, 6.50%, 12/01/18 <sup>(a)</sup>  | 425                  | 426,573      |

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|   |        |             |
|---|--------|-------------|
| Trinity Health, 6.50%, 12/01/33   | 80     | 80,300      |
| Trinity Health Credit Group, 6.50%, 12/01/18 <sup>(a)</sup>   | 1,895  | 1,902,012   |
| Trinity Health Credit Group, Series A,<br>6.13%, 12/01/18 <sup>(a)</sup>  | 940    | 943,205     |
| Trinity Health Credit Group, Series A,<br>6.25%, 12/01/18 <sup>(a)</sup>  | 1,500  | 1,505,265   |
| Trinity Health Credit Group, Series C,<br>4.00%, 12/01/32   | 5,300  | 5,390,100   |
| Royal Oak Hospital Finance Authority Michigan, Refunding RB:<br>Beaumont Health Credit Group, Series D, 5.00%, 09/01/39 | 27,365 | 29,179,573  |
| William Beaumont Hospital, Series W,<br>6.00%, 08/01/19 <sup>(a)</sup>  | 1,500  | 1,543,545   |
|   |        | 138,463,175 |
| <b>Housing 7.2%</b>   |        |             |
| Michigan State HDA, RB:   |        |             |
| M/F Housing, Rental Housing Revenue, Series A, 4.45%, 10/01/34  | 1,000  | 1,022,480   |
| M/F Housing, Rental Housing Revenue, Series A, 4.63%, 10/01/39  | 3,490  | 3,543,467   |
| M/F Housing, Rental Housing Revenue, Series A, 4.75%, 10/01/44  | 5,000  | 5,077,350   |
| Series A, 4.00%, 10/01/43   | 7,420  | 7,270,561   |
| Williams Pavilion, AMT (Ginnie Mae),<br>4.75%, 04/20/37   | 3,190  | 3,191,914   |
| Michigan State Housing Development Authority, RB, M/F Housing, Series A, 4.30%,<br>10/01/40                             | 3,320  | 3,337,131   |



Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

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| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Housing (continued)</b>   |                      |              |
| State of Michigan Housing Development Authority, RB, S/F Housing, Series C, 4.13%,<br>12/01/38 <sup>(b)</sup>                    | \$ 7,500             | \$ 7,508,250 |
|  |                      | 30,951,153   |
| <b>State 16.6%</b>   |                      |              |
| Michigan Finance Authority, Refunding RB, Detroit Regional Convention Facility Authority<br>Local Project Bonds, 5.00%, 10/01/39 | 5,400                | 5,880,330    |
| Michigan Finance Authority, RB, Charter County of Wayne Criminal Justice Center Project:<br>5.00%, 11/01/38                      | 2,500                | 2,762,925    |
| 5.00%, 11/01/43  | 4,000                | 4,389,160    |
| Michigan State Finance Authority, RB, Local Government Loan Program, Series F,<br>5.00%, 04/01/31                                | 1,000                | 1,060,840    |
| Michigan Strategic Fund, RB, Michigan Senate Offices Project, Series A, 5.25%, 10/15/40  | 3,000                | 3,280,800    |
| Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%,<br>10/15/31                                | 7,000                | 7,569,520    |
| State of Michigan, COP, (AMBAC),<br>0.00%, 06/01/22 <sup>(c)(d)</sup>  | 3,000                | 2,749,500    |
| State of Michigan Building Authority, RB, Local Government Loan Program, Series F,<br>5.25%, 10/01/41                            | 8,595                | 9,157,715    |
| State of Michigan Building Authority, Refunding RB:<br>Facilities Program, Series I (AGC),<br>5.25%, 10/15/24                    | 6,000                | 6,175,560    |
| Facilities Program, Series I (AGC),<br>5.25%, 10/15/25   | 3,500                | 3,601,395    |
| Facilities Program, Series I (AGC),<br>5.25%, 10/15/26   | 1,000                | 1,028,490    |
| Facilities Program, Series I-A,<br>5.50%, 10/15/45   | 2,000                | 2,151,400    |
| Facilities Program, Series II (AGM),<br>5.00%, 10/15/26  | 7,500                | 7,697,550    |
| Series I, 5.00%, 04/15/41  | 4,750                | 5,182,250    |
| State of Michigan Trunk Line Fund, RB:<br>5.00%, 11/15/33  | 3,000                | 3,211,590    |
| 5.00%, 11/15/36  | 5,345                | 5,704,237    |
|  |                      | 71,603,262   |
| <b>Transportation 10.1%</b>  |                      |              |
| County of Wayne Airport Authority, Refunding RB, AMT (AGC), 5.38%, 12/01/32  | 13,000               | 13,029,510   |
|  | <i>Par<br/>(000)</i> | <i>Value</i> |
| <b>Transportation (continued)</b>  |                      |              |
| Wayne County Airport Authority, RB:  |                      |              |

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|   |          |              |
|---|----------|--------------|
| Detroit Metropolitan Wayne County Airport, AMT (NPFGC), 5.00%, 12/01/39                               | \$ 1,475 | \$ 1,585,168 |
| Series B, AMT, 5.00%, 12/01/42  | 1,000    | 1,069,980    |
| Series B, AMT, 5.00%, 12/01/47  | 1,250    | 1,332,588    |
| Series D, 5.00%, 12/01/35   | 3,850    | 4,232,112    |
| Series D, 5.00%, 12/01/45   | 5,000    | 5,424,200    |
| Wayne County Airport Authority, Refunding RB, AMT:  |          |              |
| (AGC), 5.75%, 12/01/25  | 4,000    | 4,011,760    |
| (AGC), 5.75%, 12/01/26  | 4,060    | 4,071,936    |
| Series F, 5.00%, 12/01/34   | 8,000    | 8,673,520    |
|   |          | 43,430,774   |
| <b>Utilities 17.1%</b>  |          |              |
| City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 07/01/39 | 2,655    | 2,810,530    |
| City of Detroit Michigan Water Supply System Revenue, RB, Series A:                                   |          |              |
| Senior Lien, 5.25%, 07/01/41  | 4,325    | 4,580,175    |
| (NPFGC), 5.00%, 07/01/34  | 10       | 10,022       |
| City of Grand Rapids Michigan Sanitary Sewer System, Refunding RB, Series A (NPFGC), 5.50%, 01/01/22  | 1,050    | 1,109,220    |
| City of Holland Michigan Electric Utility System, RB, Series A, 5.00%, 07/01/39                       | 10,000   | 10,597,600   |
| City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:                      |          |              |
| 5.00%, 07/01/27   | 3,180    | 3,386,923    |
| 5.00%, 07/01/31   | 6,830    | 7,259,880    |
| 5.00%, 07/01/37   | 3,335    | 3,530,764    |
| 5.50%, 07/01/41   | 5,000    | 5,380,050    |
| City of Port Huron Michigan, RB, Water Supply System:   |          |              |
| 5.25%, 10/01/31   | 500      | 534,615      |
| 5.63%, 10/01/40   | 1,500    | 1,627,830    |
| Downriver Utility Wastewater Authority, Refunding RB, (AGM), 5.00%, 04/01/43                          | 1,000    | 1,074,520    |
| Great Lakes Water Authority Water Supply System Revenue, RB, Second Lien, Series B, 5.00%, 07/01/46   | 10,000   | 10,701,600   |

Schedule of Investments (unaudited) (continued)

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October 31, 2018

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| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i> |
|--|----------------------|--------------|
| <b>Utilities (continued)</b>   |                      |              |
| Karegnondi Water Authority, Refunding RB:<br>5.00%, 11/01/41   | \$ 2,750             | \$ 2,941,070 |
| 5.00%, 11/01/45  | 3,000                | 3,199,110    |
| Michigan Finance Authority, Refunding RB:<br>Government Loan Program,<br>5.00%, 07/01/34                                   | 2,000                | 2,158,340    |
| Government Loan Program,<br>5.00%, 07/01/35  | 750                  | 807,083      |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/31  | 1,000                | 1,092,530    |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/32  | 5,250                | 5,721,555    |
| Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 07/01/33  | 3,000                | 3,261,390    |
| Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund, Pooled<br>Project, 5.00%, 10/01/20 <sup>(a)</sup> | 2,000                | 2,103,960    |
|  |                      | 73,888,767   |
| <b>Total Municipal Bonds 140.4%</b><br><b>(Cost \$590,462,211)</b>   |                      | 605,627,235  |

**Municipal Bonds Transferred to Tender Option Bond Trusts<sup>(e)</sup>****Michigan 25.3%****Education 14.5%**

|   |        |            |
|---|--------|------------|
| Eastern Michigan University, RB, General ,Series A (AGM), 4.00%, 03/01/44   | 10,000 | 9,689,500  |
| Michigan State University, Refunding RB, General, Series A, 5.00%, 08/15/38 | 10,000 | 10,930,550 |
| University of Michigan, Refunding RB,<br>5.00%, 04/01/46                    | 10,000 | 11,075,005 |
| Wayne State University, RB, General, Series A,<br>5.00%, 11/15/40           | 10,000 | 10,937,700 |
| Wayne State University, Refunding RB, General (AGM):<br>5.00%, 11/15/18     | 8,880  | 8,890,213  |
| 5.00%, 11/15/18   | 11,120 | 11,132,790 |
|   |        | 62,655,758 |

*Security***Health 7.4%**

| <i>Security</i>  | <i>Par<br/>(000)</i> | <i>Value</i>  |
|--|----------------------|---------------|
| Michigan Finance Authority, RB, Beaumont Health Credit Group, Series A,<br>5.00%, 11/01/44 | \$ 10,002            | \$ 10,651,260 |
| Michigan Finance Authority, Refunding RB:<br>Hospital, Trinity Health Credit Group,        | 190                  | 200,220       |

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|  |           |                |
|--|-----------|----------------|
| 5.00%, 12/01/39  |           |                |
| Trinity Health Corp., Series 2016,   |           |                |
| 5.00%, 12/01/45  | 19,735    | 21,147,220     |
|  |           | 31,998,700     |
| <b>State 3.4%</b>  |           |                |
| Michigan State Finance Authority, Refunding RB, Student Loan, AMT, Series A,                     |           |                |
| 4.00%, 11/01/28  | 8,750     | 8,862,927      |
| State of Michigan Building Authority, Refunding RB, Facilities Program, Series I,                |           |                |
| 5.00%, 10/15/45  | 5,150     | 5,638,606      |
|  |           | 14,501,533     |
| <b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 25.3%</b>                      |           |                |
| <b>(Cost \$110,072,446)</b>  |           | 109,155,991    |
| <b>Total Long-Term Investments 165.7%</b>  |           |                |
| <b>(Cost \$700,534,657)</b>  |           | 714,783,226    |
|  |           | <i>Shares</i>  |
| <b>Short-Term Securities 1.5%</b>  |           |                |
| BlackRock Liquidity Funds, MuniCash, Institutional Class,  |           |                |
| 1.45% <sup>(f)(g)</sup>  | 6,482,640 | \$ 6,483,288   |
| <b>Total Short-Term Securities 1.5%</b>  |           |                |
| <b>(Cost \$6,483,288)</b>  |           | 6,483,288      |
| <b>Total Investments 167.2%</b>  |           |                |
| <b>(Cost \$707,017,945)</b>  |           | \$ 721,266,514 |
| <b>Other Assets Less Liabilities 0.5%</b>  |           | 1,844,519      |
| <b>Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (14.0)%</b> |           | (60,209,100)   |
| <b>VRDP Shares at Liquidation Value, Net of Deferred Offering Costs (53.7)%</b>                  |           | (231,478,134)  |
| <b>Net Assets Applicable to Common Shares 100.0%</b>   |           | \$ 431,423,799 |

Schedule of Investments (unaudited) (continued)

**BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)**

October 31, 2018

- (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) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (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) Annualized 7-day yield as of period end.
- (g) 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:

| <i>Affiliate</i>   | <i>Shares<br/>Held at<br/>07/31/18</i> | <i>Net<br/>Activity</i> | <i>Shares<br/>Held at<br/>10/31/18</i> | <i>Value at<br/>10/31/18</i> | <i>Net Change<br/>in<br/>Realized Gain Unrealized<br/>Income (Loss) Appreciation<br/>(Depreciation)</i> |           |           |
|--|--|-------------------------|--|------------------------------|---|-----------|-----------|
|  |  |                         |  |                              | <i>\$</i>   | <i>\$</i> | <i>\$</i> |
| BlackRock Liquidity<br>Funds, MuniCash,<br>Institutional Class | 3,335,566                              | 3,147,074               | 6,482,640                              | \$ 6,483,288                 | \$ 11,131   | \$ 91     | \$ (425)  |

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

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

### Portfolio Abbreviations

AGC Assured Guarantee Corp.

AGM Assured Guaranty Municipal Corp.

AMBAC American Municipal Bond Assurance Corp.

AMT Alternative Minimum Tax (subject to)

BAM Build America Mutual Assurance Co.

COP Certificates of Participation

EDC Economic Development Corp.

GO General Obligation Bonds

HDA Housing Development Authority

M/F Multi-Family

NPFGC National Public Finance Guarantee Corp.

Q-SBLF Qualified School Bond Loan Fund

RB Revenue Bonds

S/F Single-Family

Schedule of Investments (unaudited) (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

October 31, 2018

**Derivative Financial Instruments Outstanding as of Period End****Futures Contracts**

| <i>Description</i>         | <i>Number of<br/>Contracts</i> | <i>Expiration<br/>Date</i> | <i>Notional<br/>Amount (000)</i> | <i>Value /<br/>Unrealized<br/>Appreciation<br/>(Depreciation)</i> |
|----------------------------|--------------------------------|----------------------------|----------------------------------|---|
| <i>Short Contracts:</i>    |                                |                            |                                  |   |
| 10-Year U.S. Treasury Note | 31                             | 12/19/18                   | \$ 3,672                         | \$ 39,111   |
| Long U.S. Treasury Bond    | 98                             | 12/19/18                   | 13,536                           | 556,814   |
| 5-Year U.S. Treasury Note  | 48                             | 12/31/18                   | 5,394                            | 47,350  |
|                            |                                |                            |                                  | \$ 643,275  |

**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 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 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:

|   | <i>Level 1</i> | <i>Level 2</i> | <i>Level 3</i> | <i>Total</i>   |
|---|----------------|----------------|----------------|----------------|
| Assets:   |                |                |                |                |
| Investments:                                    |                |                |                |                |
| Long-Term Investments <sup>(a)</sup>            | \$             | \$ 714,783,226 | \$             | \$ 714,783,226 |
| Short-Term Securities                           | 6,483,288      |                |                | 6,483,288      |
|   | \$ 6,483,288   | \$ 714,783,226 | \$             | \$ 721,266,514 |
| Derivative Financial Instruments <sup>(b)</sup> |                |                |                |                |
| Assets:   |                |                |                |                |
| Interest rate contracts                         | \$ 643,275     | \$             | \$             | \$ 643,275     |

<sup>(a)</sup> See above Schedule of Investments for values in each sector

<sup>(b)</sup> Derivative financial instruments are futures contracts which are valued at the unrealized appreciation (depreciation) on the instrument.



Schedule of Investments (unaudited) (continued)

**BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)**

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           | \$             | \$ (60,002,056)  | \$             | \$ (60,002,056)  |
| VRDP Shares at Liquidation Value |                | (231,900,000)    |                | (231,900,000)    |
|                                  | \$             | \$ (291,902,056) | \$             | \$ (291,902,056) |

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 Michigan Quality Fund, Inc.

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

Date: December 19, 2018

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

Date: December 19, 2018