

BLACKROCK MUNIYIELD ARIZONA FUND, INC.
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES**

Investment Company Act file number 811-07083

Name of Fund: BlackRock MuniYield Arizona Fund, Inc. (MZA)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: John M. Perlowski, Chief Executive Officer, BlackRock MuniYield Arizona Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2012

Date of reporting period: 07/31/2012

Item 1 – Report to Stockholders

July 31, 2012

Annual Report

BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)

BlackRock MuniYield Arizona Fund, Inc. (MZA)

BlackRock MuniYield California Fund, Inc. (MYC)

BlackRock MuniYield Investment Fund (MYF)

BlackRock MuniYield New Jersey Fund, Inc. (MYJ)

Not FDIC Insured No Bank Guarantee May Lose Value

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Dear Shareholder

About this time one year ago, financial markets fell into turmoil, triggered by Standard & Poor's historic downgrade of US government debt. Since then, asset prices have continued to move broadly in risk-on rallies and risk-off retreats driven by macro-level concerns, primarily the sovereign debt crisis in Europe and uncertainty about global economic growth.

Equity markets crumbled in the third quarter of 2011 as fearful investors fled riskier assets in favor of traditionally safe investments including US Treasuries and gold. In October, however, improving economic data and more concerted efforts among European leaders toward stemming the region's debt crisis drew investors back to the markets. Improving sentiment carried over into early 2012 as investors saw some relief from the world's financial woes. Volatility abated and risk assets (including stocks, commodities and high yield bonds) moved boldly higher through the first two months of 2012 while climbing Treasury yields pressured higher-quality fixed income assets.

Markets reversed course in the spring when Europe's debt problems boiled over once again. High levels of volatility returned as political instability in Greece threatened the country's membership in the euro zone. Spain faced severe deficit issues while the nation's banks clamored for liquidity. Yields on Spanish and Italian government debt rose to levels deemed unsustainable. European leaders conferred and debated vehemently over the need for fiscal integration among the 17 nations comprising the euro currency bloc as a means to resolve the crisis for the long term.

Alongside the drama in Europe, investors were discouraged by gloomy economic reports from various parts of the world. A slowdown in China, a key powerhouse for global growth, became particularly worrisome. In the United States, disappointing jobs reports dealt a crushing blow to sentiment. Risk assets sold off in the second quarter as investors again retreated to safe haven assets.

The summer brought a modest rebound in most asset classes. However, financial markets continued to swing sharply in both directions as investors reacted to mixed economic data as well as comments and policy actions—or lack of action—from central banks around the globe.

On the whole, higher quality investments outperformed riskier asset classes for the 12 months ended July 31, 2012 as investors continued to focus on safety. US Treasury bonds delivered the strongest returns, followed by tax-exempt municipal bonds. Some higher-risk investments, including US large-cap stocks and corporate bonds, managed to post gains for the one-year period, and while US small-cap stocks generated a slight gain for the 12-month period, they posted a marginal loss for the last 6 months. International and emerging equities, which experienced significant downturns in 2011, lagged other asset classes amid ongoing global uncertainty. US large-cap stocks and high yield bonds rallied higher in recent months as many investors increased their appetite for risk. Continued low short-term interest rates kept yields on money market securities near their all-time lows.

We know that investors continue to face a world of uncertainty and highly volatile markets, but we also believe these challenging times present many opportunities. We remain committed to working with you and your financial professional to identify actionable ideas for your portfolio. We encourage you to visit www.blackrock.com/newworld for more information.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

We know that investors continue to face a world of uncertainty and highly volatile markets, but we also believe these challenging times present many opportunities.

Rob Kapito

President, BlackRock Advisors, LLC

Total Returns as of July 31, 2012

| | 6-month | 12-month |
|--|---------|----------|
| US large cap equities (S&P 500® Index) | 6.25 % | 9.13 % |
| US small cap equities (Russell 2000® Index) | (0.03) | 0.19 |
| International equities (MSCI Europe, Australasia, Far East Index) | (1.15) | (11.45) |
| Emerging market equities (MSCI Emerging Markets Index) | (4.83) | (13.93) |
| 3-month Treasury bill (BofA Merrill Lynch 3-Month US Treasury Bill Index) | 0.05 | 0.07 |
| US Treasury securities (BofA Merrill Lynch 10- Year US Treasury Index) | 4.31 | 15.58 |
| US investment grade bonds (Barclays US Aggregate Bond Index) | 2.88 | 7.25 |
| Tax-exempt municipal bonds (S&P Municipal Bond Index) | 3.22 | 10.70 |
| US high yield bonds (Barclays US Corporate High Yield 2% Issuer Capped Index) | 6.05 | 8.00 |

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

Municipal Market Overview

For the 12-Month Period Ended July 31, 2012

One year ago, the municipal bond market was rebounding from a prolonged weak period stemming from events in the fourth quarter of 2010. Municipals had suffered severe losses in late 2010 amid a steepening US Treasury yield curve, political uncertainty and a flood of inflated headlines about municipal finance troubles. A significant supply-demand imbalance had developed by the end of the year, leading to wider quality spreads and higher yields for municipal bonds heading into 2011.

Having lost confidence in municipals, retail investors retreated from the market, resulting in municipal mutual fund outflows totaling \$35.1 billion from the middle of November 2010 until the trend finally broke in June 2011. However, weak demand in the first half of 2011 was counterbalanced by lower supply. According to Thomson Reuters, total new issuance was down 32% in 2011 as compared to the prior year.

On August 5, 2011, Standard & Poor's (S&P) downgraded the US government's credit rating from AAA to AA+. While this led to the downgrade of approximately 11,000 municipal issues directly tied to the US debt rating, this represented a very small fraction of the municipal market and said nothing about the individual municipal credits themselves. In fact, demand for municipal bonds increased as severe volatility in US equities drove investors to more stable asset classes. The municipal market benefited from an exuberant Treasury market and continued muted new issuance. As supply remained constrained, demand from both traditional and non-traditional buyers was strong, pushing long-term municipal bond yields lower and sparking a curve-flattening trend that continued through year end. Ultimately, 2011 was one of the strongest performance years in municipal market history. The S&P Municipal Bond Index returned 10.62% in 2011, making municipal bonds a top-performing fixed income asset class for the year.

Strong demand carried over into 2012 as investors continued to search for yield in a low-rate environment. Municipal market supply-and-demand technicals typically strengthen considerably upon the conclusion of tax season as net negative supply takes hold. This theme remained intact for 2012. In the spring, a resurgence of concerns about Europe's financial crisis and weakening US economic data drove municipal bond yields lower and prices higher as investors were drawn to the asset class for its relatively low volatility in addition to the income and capital preservation it offers. The S&P Municipal Bond Index has gained 5.75% year-to-date.

Overall, the municipal yield curve flattened during the period from July 29, 2011 to July 31, 2012. As measured by Thomson Municipal Market Data, yields declined by 151 basis points (bps) to 2.84% on AAA-rated 30-year municipal bonds and by 101 bps to 1.66% on 10-year bonds, while yields on 5-year issues fell 51 bps to 0.65%. While the entire municipal curve flattened over the 12-month time period, the spread between 2- and 30-year maturities tightened by 140 bps, and in the 2- to 10-year range, the spread tightened by 90 bps.

The fundamental picture for municipalities continues to improve. Austerity has been the general theme across the country as states set their budgets, although a small number of states continue to rely on a "kick-the-can" approach to close their budget gaps, using aggressive revenue projections and accounting gimmicks. It has been over a year and a half since the fiscal problems plaguing state and local governments first became highly publicized. Thus far, the prophecy of widespread defaults across the municipal market has not materialized. Through the first half of 2012, approximately \$1.07 billion in par value of municipal bonds have entered into debt service default for the first time. This represents only 0.540% of total issuance for that period and 0.029% of total municipal bonds outstanding, as

compared to 0.065% for the full year 2011. (Data provided by Bank of America Merrill Lynch.) BlackRock maintains the view that municipal bond defaults will remain in the periphery and the overall market is fundamentally sound. We continue to recognize that careful credit research and security selection remain imperative amid uncertainty in this economic environment.

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

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Fund Summary as of July 31, 2012

BlackRock Muni New York Intermediate Duration Fund, Inc.**Fund Overview**

BlackRock Muni New York Intermediate Duration Fund, Inc. s (MNE) (the **Fund**) investment objective is to provide shareholders with high current income exempt from federal income tax and New York State and New York City personal income taxes. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income tax (except that the interest may be subject to the federal alternative minimum tax) and New York State and New York City personal income taxes. Under normal market conditions, the Fund invests at least 75% of its assets in municipal obligations that are investment grade quality at the time of investment. Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with a duration of three to ten years. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2012, the Fund returned 28.00% based on market price and 15.73% based on net asset value (NAV). For the same period, the closed-end Lipper Intermediate Municipal Debt Funds category posted an average return of 25.86% based on market price and 13.86% based on NAV. All returns reflect reinvestment of dividends. The Fund s discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as interest rates declined over the period. The Fund s holdings were concentrated on the long end of the yield curve (within the Fund s intermediate duration investment mandate), which benefited performance as the curve flattened and long-term interest rates declined more than rates on shorter-dated securities. Also having a positive impact were the Fund s heavy exposures to transportation, health and education, which were among the better performing sectors for the period. The Fund s lower quality holdings also enhanced results as credit spreads narrowed during the period. Conversely, the Fund s most significant credit exposure was in the tax-backed sector, which was one of the weaker performing sectors for the period. The strongest performing sector during the period was tobacco, to which the Fund held limited exposure.

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

Fund Information

| | |
|--|----------------|
| Symbol on New York Stock Exchange (NYSE) | MNE |
| Initial Offering Date | August 1, 2003 |
| Yield on Closing Market Price as of July 31, 2012 (\$15.80) ¹ | 4.75% |
| Tax Equivalent Yield ² | 7.31% |
| Current Monthly Distribution per Common Share ³ | \$0.0625 |

| | |
|---|----------|
| Current Annualized Distribution per Common Share ³ | \$0.7500 |
| Economic Leverage as of July 31, 2012 ⁴ | 35% |

¹Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

³The distribution rate is not constant and is subject to change.

Represents Variable Rate Demand Preferred Shares (VRDP Shares) and tender option bond trusts (TOBs) as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/12 | 7/31/11 | Change | High | Low |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$15.80 | \$12.98 | 21.73% | \$15.81 | \$12.87 |
| Net Asset Value | \$15.97 | \$14.51 | 10.06% | \$16.02 | \$14.51 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/12 | 7/31/11 |
|--|----------------|----------------|
| Transportation | 17% | 16% |
| County/City/Special District/School District | 17 | 15 |
| State | 14 | 11 |
| Health | 14 | 14 |
| Utilities | 13 | 10 |
| Education | 10 | 11 |
| Housing | 7 | 11 |
| Corporate | 7 | 11 |
| Tobacco | 1 | 1 |

Credit Quality Allocations⁵

| | 7/31/12 | 7/31/11 |
|---------|----------------|----------------|
| AAA/Aaa | 6% | 5% |
| AA/Aa | 48 | 41 |
| A | 29 | 25 |
| BBB/Baa | 9 | 18 |
| BB/Ba | 2 | 6 |
| B | 1 | |

| | |
|------------------------|-----|
| CCC/Caa | 2 |
| Not Rated ⁶ | 5 3 |

⁵Using the higher of S&P's or Moody's Investors Service (Moody's) ratings.

The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012 and July 31, 2011, the market value of these securities was \$1,922,828, representing 2%, and \$2,875,100, representing 3%, respectively, of the Fund's long-term investments.

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Fund Summary as of July 31, 2012

BlackRock MuniYield Arizona Fund, Inc.**Fund Overview**

BlackRock MuniYield Arizona Fund, Inc. s (MZA) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and Arizona income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and Arizona income taxes. Under normal market conditions, the Fund expects to invest at least 75% of its assets in municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2012, the Fund returned 29.05% based on market price and 19.86% based on NAV. For the same period, the closed-end Lipper Other States Municipal Debt Funds category posted an average return of 26.92% based on market price and 16.67% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. Over the one-year period, the Fund benefited from the declining interest rate environment (bond prices rise as interest rates fall), the flattening of the yield curve (long interest rates fell more than short and intermediate rates) and tightening of credit spreads. The Fund s exposure to zero-coupon bonds and the health sector had a positive impact on performance as these holdings derived the greatest benefit from the decline in interest rates and spread tightening during the period. The Fund s strategy for hedging interest rate risk was a modest detractor from performance as the Fund held a short position in US Treasury futures while rates generally declined.

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Fund Information

| | |
|--|------------------|
| Symbol on NYSE Amex | MZA |
| Initial Offering Date | October 29, 1993 |
| Yield on Closing Market Price as of July 31, 2012 (\$15.61) ¹ | 5.34% |
| Tax Equivalent Yield ² | 8.22% |
| Current Monthly Distribution per Common Share ³ | \$0.0695 |
| Current Annualized Distribution per Common Share ³ | \$0.8340 |
| Economic Leverage as of July 31, 2012 ⁴ | 37% |

¹ Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

³The distribution rate is not constant and is subject to change.

Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/12 | 7/31/11 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$15.61 | \$12.83 | 21.67% | \$16.25 | \$12.19 |
| Net Asset Value | \$15.12 | \$13.38 | 13.00% | \$15.17 | \$13.38 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/12 | 7/31/11 |
|--|---------|---------|
| County/City/Special District/School District | 27% | 34% |
| State | 21 | 19 |
| Utilities | 19 | 15 |
| Health | 12 | 11 |
| Education | 9 | 10 |
| Corporate | 6 | 3 |
| Transportation | 4 | 5 |
| Housing | 2 | 3 |

Credit Quality Allocations⁵

| | 7/31/12 | 7/31/11 |
|------------------------|---------|---------|
| AAA/Aaa | 14% | 17% |
| AA/Aa | 42 | 44 |
| A | 30 | 25 |
| BBB/Baa | 11 | 9 |
| BB/Ba | | 1 |
| B | 6 | 1 |
| Not Rated ⁷ | 3 | 3 |

⁵Using the higher of S&P's or Moody's ratings.

⁶Includes a less than 1% investment.

The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012 and July 31, 2011, the market value of these securities was \$1,172,270, representing 1%, and \$2,615,595, representing 3%, respectively, of the Fund's long-term investments.

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Fund Summary as of July 31, 2012

BlackRock MuniYield California Fund, Inc.**Fund Overview**

BlackRock MuniYield California Fund, Inc. s (MYC) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal and California income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2012, the Fund returned 38.46% based on market price and 25.45% based on NAV. For the same period, the closed-end Lipper California Municipal Debt Funds category posted an average return of 30.47% based on market price and 21.65% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period-end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (sensitivity to interest rate movements) had a positive impact on performance as interest rates generally declined amid the investor flight-to-quality in the US Treasury market. Leverage achieved through the use of tender option bonds while the municipal yield curve was historically steep boosted returns. The Fund s holdings of higher quality essential service revenue bonds contributed positively, as did holdings of select general obligation bonds and school district credits with stronger underlying fundamentals. Investments in the health, education, transportation and utilities sectors were particularly strong contributors. Additionally, purchases of zero-coupon bonds deemed undervalued added to the Fund s total return. The Fund used US Treasury financial futures contracts to hedge against rising interest rates. These positions had a modestly negative impact on returns as interest rates declined over the period.

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Fund Information

| | |
|--|-------------------|
| Symbol on NYSE | MYC |
| Initial Offering Date | February 28, 1992 |
| Yield on Closing Market Price as of July 31, 2012 (\$17.31) ¹ | 5.48% |
| Tax Equivalent Yield ² | 8.43% |
| Current Monthly Distribution per Common Share ³ | \$0.079 |
| Current Annualized Distribution per Common Share ³ | \$0.948 |
| Economic Leverage as of July 31, 2012 ⁴ | 38% |

¹Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

³The distribution rate is not constant and is subject to change.

Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10. The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/12 | 7/31/11 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$17.31 | \$13.29 | 30.25% | \$17.52 | \$13.07 |
| Net Asset Value | \$16.97 | \$14.38 | 18.01% | \$17.02 | \$14.38 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/12 | 7/31/11 |
|--|---------|---------|
| County/City/Special District/School District | 41% | 43% |
| Utilities | 18 | 24 |
| Health | 14 | 10 |
| Education | 12 | 7 |
| State | 8 | 4 |
| Transportation | 6 | 5 |
| Housing | 1 | 1 |
| Corporate | 5 | 6 |

⁵Includes a less than 1% investment.

Credit Quality Allocations⁶

| | 7/31/12 | 7/31/11 |
|---------|---------|---------|
| AAA/Aaa | 7% | 7% |
| AA/Aa | 69 | 66 |
| A | 23 | 18 |
| BBB/Baa | 1 | 9 |

⁶Using the higher of S&P's or Moody's ratings.
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Fund Summary as of July 31, 2012

BlackRock MuniYield Investment Fund**Fund Overview**

BlackRock MuniYield Investment Fund s (MYF) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). Under normal market conditions, the Fund primarily invests in municipal bonds that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2012, the Fund returned 34.44% based on market price and 26.55% based on NAV. For the same period, the closed-end Lipper General & Insured Municipal Debt Funds (Leveraged) category posted an average return of 29.37% based on market price and 20.77% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as the yield curve flattened (i.e., longer-term interest rates fell more than shorter rates) and bond prices moved higher on the long end of the municipal curve. The Fund s longer-dated holdings in the health, transportation and utilities sectors experienced the best price appreciation. The Fund used US Treasury financial futures contracts as a means of hedging interest rate risk. These positions had a slight negative impact on results as interest rates declined over the period.

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

Fund Information

| | |
|--|-------------------|
| Symbol on NYSE | MYF |
| Initial Offering Date | February 28, 1992 |
| Yield on Closing Market Price as of July 31, 2012 (\$16.52) ¹ | 5.74% |
| Tax Equivalent Yield ² | 8.83% |
| Current Monthly Distribution per Common Share ³ | \$0.079 |
| Current Annualized Distribution per Common Share ³ | \$0.948 |
| Economic Leverage as of July 31, 2012 ⁴ | 40% |

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

³The distribution rate is not constant and is subject to change.

Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund,

⁴including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/12 | 7/31/11 | Change | High | Low |
|-----------------|---------|---------|--------|---------|---------|
| Market Price | \$16.52 | \$13.08 | 26.30% | \$16.80 | \$12.48 |
| Net Asset Value | \$16.30 | \$13.71 | 18.89% | \$16.35 | \$13.71 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/12 | 7/31/11 |
|--|---------|---------|
| County/City/Special District/School District | 20% | 25% |
| Transportation | 20 | 22 |
| Health | 17 | 17 |
| Utilities | 16 | 16 |
| State | 11 | 5 |
| Education | 9 | 7 |
| Housing | 3 | 4 |
| Corporate | 3 | 3 |
| Tobacco | 1 | 1 |

Credit Quality Allocations⁵

| | 7/31/12 | 7/31/11 |
|-----------|---------|----------------|
| AAA/Aaa | 14% | 10% |
| AA/Aa | 60 | 56 |
| A | 19 | 25 |
| BBB/Baa | 6 | 7 |
| Not Rated | 1 | 2 ⁶ |

⁵Using the higher of S&P's or Moody's ratings.

⁶The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2011, the market value of these securities was \$5,683,625, representing 2% of the Fund's long-term investments.

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Fund Summary as of July 31, 2012

BlackRock MuniYield New Jersey Fund, Inc.**Fund Overview**

BlackRock MuniYield New Jersey Fund, Inc. s (MYJ) (the Fund) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes and New Jersey personal income tax as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal obligations exempt from federal income taxes (except that the interest may subject to the federal alternative minimum tax) and New Jersey personal income taxes. Under normal market conditions, the Fund invests primarily in long-term municipal obligations that are investment grade quality at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

No assurance can be given that the Fund s investment objective will be achieved.

Performance

For the 12 months ended July 31, 2012, the Fund returned 33.59% based on market price and 20.72% based on NAV. For the same period, the closed-end Lipper New Jersey Municipal Debt Funds category posted an average return of 30.62% based on market price and 18.72% based on NAV. All returns reflect reinvestment of dividends. The Fund moved from a discount to NAV to a premium by period end, which accounts for the difference between performance based on price and performance based on NAV. The following discussion relates to performance based on NAV. The Fund s long duration posture (greater sensitivity to interest rates) contributed positively to performance as the yield curve flattened (i.e., longer-term interest rates fell more than shorter rates) and bond prices moved higher on the long end of the municipal curve. The Fund s longer-dated holdings in the health, corporate-backed and utilities sectors experienced the best price appreciation. The Fund used US Treasury financial futures contracts as a means of hedging interest rate risk. These positions had a slight negative impact on results as interest rates declined over the period.

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

Fund Information

| | |
|--|-------------|
| Symbol on NYSE | MYJ |
| Initial Offering Date | May 1, 1992 |
| Yield on Closing Market Price as of July 31, 2012 (\$17.07) ¹ | 5.20% |
| Tax Equivalent Yield ² | 8.00% |
| Current Monthly Distribution per Common Share ³ | \$0.074 |
| Current Annualized Distribution per Common Share ³ | \$0.888 |
| Economic Leverage as of July 31, 2012 ⁴ | 35% |

Yield on closing market price is calculated by dividing the current annualized distribution per share by the closing market price. Past performance does not guarantee future results.

²Tax equivalent yield assumes the maximum federal tax rate of 35%.

³The distribution rate is not constant and is subject to change.

Represents VRDP Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund,

⁴including any assets attributable to VRDP Shares and TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 10.

The table below summarizes the changes in the Fund's market price and NAV per share:

| | 7/31/12 | 7/31/11 | Change | High | Low |
|-----------------|----------------|----------------|---------------|-------------|------------|
| Market Price | \$17.07 | \$13.53 | 26.16% | \$17.07 | \$13.23 |
| Net Asset Value | \$16.92 | \$14.84 | 14.02% | \$16.98 | \$14.84 |

The following charts show the sector and credit quality allocations of the Fund's long-term investments:

Sector Allocations

| | 7/31/12 | 7/31/11 |
|--|----------------|----------------|
| State | 35% | 24% |
| Transportation | 16 | 20 |
| Education | 14 | 14 |
| County/City/Special District/School District | 10 | 12 |
| Health | 9 | 11 |
| Utilities | 7 | 3 |
| Housing | 6 | 11 |
| Corporate | 3 | 4 |
| Tobacco | | 1 |

Credit Quality Allocations⁵

| | 7/31/12 | 7/31/11 |
|-----------|----------------|----------------|
| AAA/Aaa | 5% | 10% |
| AA/Aa | 39 | 38 |
| A | 48 | 40 |
| BBB/Baa | 7 | 12 |
| Not Rated | 1 ⁶ | |

⁵Using the higher of S&P's or Moody's ratings.

⁶The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2012, the market value of these securities was \$3,600,470, representing 1% of the Fund's long-term investments.

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The Benefits and Risks of Leveraging

The Funds may utilize leverage to seek to enhance the yield and NAV of their common shares (Common Shares). However, these objectives cannot be achieved in all interest rate environments.

To obtain leverage, the Funds issue Variable Rate Demand Preferred Shares (VRDP Shares) and previously issued and had outstanding Auction Market Preferred Shares (AMPS) (VRDP Shares, and as applicable AMPS, are collectively referred to as Preferred Shares). Preferred Shares pay dividends at prevailing short-term interest rates, and the Funds invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's shareholders will benefit from the incremental net income.

The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV. However, in order to benefit shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. If the yield curve becomes negatively sloped, meaning short-term interest rates exceed long-term interest rates, income to shareholders will be lower than if the Funds had not used leverage.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it issues Preferred Shares for an additional \$50 million, creating a total value of \$150 million available for investment in long-term municipal bonds. If prevailing short-term interest rates are 3% and long-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, the Fund pays dividends on the \$50 million of Preferred Shares based on the lower short-term interest rates. At the same time, the securities purchased by the Fund with assets received from Preferred Shares issuance earn income based on long-term interest rates. In this case, the dividends paid to holders of Preferred Shares (Preferred Shareholders) are significantly lower than the income earned on the Fund's long-term investments, and therefore the Common Shareholders are the beneficiaries of the incremental net income.

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates, the yield curve has a negative slope. In this case, the Fund pays higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the redemption value of the Funds' Preferred Shares does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or negatively in addition to the impact on Fund performance from leverage from Preferred Shares discussed above.

The Funds may also leverage their assets through the use of TOBs, as described in Note 1 of the Notes to Financial Statements. TOB investments generally will provide the Funds with economic benefits in periods of declining short-term interest rates, but expose the Funds to risks during periods of rising short-term interest rates similar to those associated with Preferred Shares issued by the Funds, as described above. Additionally, fluctuations in the market value of municipal bonds deposited into the TOB trust may adversely affect each Fund's NAV per share.

The use of leverage may enhance opportunities for increased income to the Funds and Common Shareholders, but as described above, it also creates risks as short- or long-term interest rates fluctuate. Leverage also will generally cause greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. If the income derived from securities purchased with assets received from leverage exceeds the cost of leverage, the Funds' net income will be greater than if leverage had not been used. Conversely, if the income from the securities purchased is not sufficient to cover the cost of leverage, each Fund's net income will be less than if leverage had not been used, and therefore the amount available for distribution to Common Shareholders will be reduced. Each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause a Fund to incur losses. The use of leverage may limit each Fund's ability to invest in certain types of securities or use certain types of hedging strategies, such as in the case of certain restrictions imposed by rating agencies that rate the Preferred Shares issued by the Funds. Each Fund will incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares.

Under the Investment Company Act of 1940, as amended (the "1940 Act"), the Funds are permitted to issue senior securities in the form of equity securities (e.g. Preferred Shares) up to 50% of their total managed assets (each Fund's total assets less the sum of its accrued liabilities). In addition, each Fund voluntarily limits its economic leverage to 50% of its total managed assets and 45% for Funds with VRDP Shares. As of July 31, 2012, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

**Percent of
Economic
Leverage**

MNE 35%
MZA 37%
MYC 38%
MYF 40%
MYJ 35%

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Derivative Financial Instruments

The Funds may invest in various derivative financial instruments, including financial futures contracts, as specified in Note 2 of the Notes to Financial Statements, which may constitute forms of economic leverage. Such derivative financial instruments are used to obtain exposure to a security, index and/or market without owning or taking physical custody of securities or to hedge market and/or interest rate risks. Derivative financial instruments involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the transaction or illiquidity of the derivative financial instrument. The Funds ability to use a derivative financial instrument successfully depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of derivative financial instruments may result in losses greater than if they had not been used, may require a Fund to sell or purchase portfolio investments at inopportune times or for distressed values, may limit the amount of appreciation a Fund can realize on an investment, may result in lower dividends paid to shareholders or may cause a Fund to hold an investment that it might otherwise sell. The Funds' investments in these instruments are discussed in detail in the Notes to Financial Statements.

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**BlackRock Muni New York Intermediate Duration Fund,
Inc. (MNE)**

Schedule of Investments July 31, 2012

(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|---|----------------------|--------------|
| Municipal Bonds | | |
| New York 124.4% | | |
| Corporate 11.0% | | |
| Essex County Industrial Development Agency, Refunding RB, International Paper, Series A, AMT, 5.20%, 12/01/23 | \$ 1,000 | \$ 1,032,410 |
| Jefferson County Industrial Development Agency New York, Refunding RB, Solid Waste, Series A, AMT, 5.20%, 12/01/20 | 500 | 521,405 |
| New York City Industrial Development Agency, RB, AMT: British Airways Plc Project, 7.63%, 12/01/32 | 1,000 | 1,027,790 |
| Continental Airlines, Inc. Project, 8.38%, 11/01/16 | 1,000 | 1,010,240 |
| New York City Industrial Development Agency, Refunding RB, Terminal One Group Association Project, AMT (a): 5.50%, 1/01/18 | 1,000 | 1,097,640 |
| 5.50%, 1/01/24 | 1,000 | 1,056,910 |
| New York State Energy Research & Development Authority, Refunding RB: Brooklyn Union Gas/Keyspan, Series A, AMT (FGIC), 4.70%, 2/01/24 | 500 | 529,115 |
| Rochester Gas & Electric Corp., Series C (NPFGC), 5.00%, 8/01/32 (a) | 1,000 | 1,104,270 |
| | | 7,379,780 |
| County/City/Special District/School District 19.0% | | |
| Amherst Development Corp., RB, University at Buffalo Foundation Faculty-Student Housing Corp., Series A (AGM), 4.00%, 10/01/24 | 1,000 | 1,078,690 |
| City of New York New York, GO: Refunding, Series A, 5.00%, 8/01/24 | 250 | 287,300 |
| Refunding, Series E, 5.00%, 8/01/27 | 600 | 705,588 |
| Sub-Series G-1, 5.00%, 4/01/28 | 850 | 1,020,935 |
| Sub-Series I-1, 5.13%, 4/01/25 | 750 | 892,125 |
| Hudson New York Yards Infrastructure Corp., RB, Series A, 5.75%, 2/15/47 | 1,000 | 1,172,070 |
| New York City Industrial Development Agency, RB, Queens | | |

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| | | |
|--|-------|-----------|
| Baseball Stadium, PILOT (AMBAC), 5.00%, 1/01/31 | 1,500 | 1,532,085 |
| New York City Industrial Development Agency, Refunding RB, Terminal One Group Association Project, AMT, 5.50%, 1/01/21 (a) | 250 | 268,715 |
| New York City Transitional Finance Authority, RB: Fiscal 2007, Series S-1 (FGIC), 5.00%, 7/15/24 | 500 | 565,640 |
| Fiscal 2009, Series S-3, 5.00%, 1/15/23 | 575 | 687,706 |
| Series S-1, 4.00%, 7/15/42 | 500 | 507,800 |
| New York Convention Center Development Corp., RB, Hotel Unit Fee Secured (AMBAC), 5.00%, 11/15/35 | 120 | 125,730 |
| New York Liberty Development Corp., Refunding RB: 5.00%, 11/15/31 | 1,000 | 1,145,340 |
| Second Priority, Bank of America Tower at One Bryant Park Project, 5.63%, 7/15/47 | 1,000 | 1,120,950 |

Par
(000) **Value**

Municipal Bonds

New York (continued)

County/City/Special District/School District (concluded)

| | | |
|--|----------|----------------------------|
| United Nations Development Corp. New York, Refunding RB, Series A, 4.25%, 7/01/24 | \$ 1,500 | \$ 1,652,235 12,762,909 |
|--|----------|----------------------------|

Education 15.4%

| | | |
|---|-------|-----------|
| Nassau County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, Series A, 5.00%, 3/01/21 | 1,000 | 1,147,800 |
| New York State Dormitory Authority, RB: Convent of the Sacred Heart (AGM), 4.00%, 11/01/18 | 880 | 977,161 |
| Convent of the Sacred Heart (AGM), 5.00%, 11/01/21 | 120 | 140,845 |
| Fordham University, Series A, 5.25%, 7/01/25 | 500 | 599,550 |
| Haverstraw King s Daughters Public Library, 5.00%, 7/01/26 | 1,015 | 1,196,675 |
| Mount Sinai School of Medicine, 5.50%, 7/01/25 | 1,000 | 1,158,470 |
| Mount Sinai School of Medicine, Series A (NPFGC), 5.15%, 7/01/24 | 570 | 669,043 |
| New York State Dormitory Authority, Refunding RB, NYU, Series A, 5.00%, 7/01/37 | 600 | 700,014 |
| Schenectady County Capital Resource Corp, Refunding RB Union College: | | |

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| | | |
|--|-------|------------|
| 5.00%, 7/01/32 | 940 | 1,094,066 |
| 4.25%, 7/01/33 | 845 | 900,610 |
| Schenectady County Industrial Development Agency, Refunding RB, Union College Project, 5.00%, 7/01/26 | 1,000 | 1,128,160 |
| Suffolk County Industrial Development Agency, Refunding RB, New York Institute of Technology Project, 5.25%, 3/01/21 | 600 | 634,098 |
| | | 10,346,492 |

Health 20.9%

| | | |
|--|-------|-----------|
| Dutchess County Industrial Development Agency, RB, Vassar Brothers Medical Center (AGC), 5.00%, 4/01/21 | 215 | 253,919 |
| Dutchess County Local Development Corp., Refunding RB, Health Quest System, Inc., Series A (AGM), 5.25%, 7/01/25 | 1,000 | 1,151,400 |
| Erie County Industrial Development Agency, RB, Episcopal Church Home, Series A, 5.88%, 2/01/18 | 725 | 726,153 |
| Genesee County Industrial Development Agency New York, Refunding RB, United Memorial Medical Center Project, 4.75%, 12/01/14 | 215 | 215,813 |
| New York City Industrial Development Agency, RB, PSCH, Inc. Project, 6.20%, 7/01/20 | 1,415 | 1,420,830 |
| New York State Dormitory Authority, RB: New York State Association for Retarded Children, Inc., Series A, 5.30%, 7/01/23 | 450 | 517,234 |

Portfolio Abbreviations

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

| | |
|--------------|---|
| AGC | Assured Guaranty Corp. |
| AGM | Assured Guaranty Municipal Corp. |
| AMBAC | American Municipal Bond Assurance Corp. |
| AMT | Alternative Minimum Tax (subject to) |
| ARB | Airport Revenue Bonds |
| BHAC | Berkshire Hathaway Assurance Corp. |
| CAB | Capital Appreciation Bonds |
| CIFG | CDC IXIS Financial Guaranty |
| COP | Certificates of Participation |

| | |
|--------------------|--|
| EDA | Economic Development Authority |
| EDC | Economic Development Corp. |
| ERB | Education Revenue Bonds |
| FGIC | Financial Guaranty Insurance Co. |
| Freddie Mac | Federal Home Loan Mortgage Corporation |
| Ginnie Mae | Government National Mortgage Association |
| GO | General Obligation Bonds |
| HFA | Housing Finance Agency |
| HRB | Housing Revenue Bonds |
| IDA | Industrial Development Authority |
| IDB | Industrial Development Board |
| IDRB | Industrial Development Revenue Bond |
| ISD | Independent School District |
| LRB | Lease Revenue Bonds |
| MBIA | MBIA Insurance Corp. |
| M/F | Multi-Family |
| NPFGC | National Public Finance Guarantee Corp. |
| PILOT | Payment in Lieu of Taxes |
| Radian | Radian Financial Guaranty |
| RB | Revenue Bonds |
| SONYMA | State of New York Mortgage Agency |
| S/F | Single-Family |
| Syncora | Syncora Guarantee |

See Notes to Financial Statements.

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**BlackRock Muni New York Intermediate Duration
Fund, Inc. (MNE)**
(Percentages shown are based on Net Assets)

Schedule of Investments (continued)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| New York (continued) | | |
| Health (concluded) | | |
| New York State Dormitory Authority, RB: (concluded) | | |
| North Shore-Long Island Jewish Health System, Series A, 5.25%, 5/01/25 | \$ 780 | \$ 810,124 |
| North Shore-Long Island Jewish Health System, Series D, 5.00%, 5/01/39 | 160 | 174,422 |
| NYU Hospitals Center, Series A, 5.00%, 7/01/22 | 1,000 | 1,145,670 |
| NYU Hospitals Center, Series B, 5.25%, 7/01/24 | 405 | 444,415 |
| New York State Dormitory Authority, Refunding RB: Mount Sinai Hospital, Series A, 4.25%, 7/01/23 | 250 | 271,045 |
| North Shore-Long Island Jewish Health System, Series A, 5.00%, 5/01/32 | 500 | 559,680 |
| North Shore-Long Island Jewish Health System, Series E, 5.00%, 5/01/22 | 650 | 746,590 |
| Teachers College, Series A, 5.00%, 7/01/31 | 375 | 437,160 |
| Saratoga County Industrial Development Agency New York, Refunding RB, The Saratoga Hospital Project, Series A (Radian), 4.38%, 12/01/13 | 365 | 378,666 |
| Suffolk County Industrial Development Agency New York, Refunding RB, Jeffersons Ferry Project, 4.63%, 11/01/16 | 800 | 854,776 |
| Westchester County Healthcare Corp. New York, Refunding RB, Senior Lien: 5.00%, 11/01/30 | 250 | 275,247 |
| Series B, 6.00%, 11/01/30 | 240 | 285,499 |
| Westchester County Industrial Development Agency New York, RB: Kendal on Hudson Project, Series A, 6.38%, 1/01/24 | 1,000 | 1,006,270 |
| Special Needs Facilities Pooled Program, Series D-1, 6.80%, 7/01/19 | 515 | 523,868 |
| Westchester County New York Health Care Corp., | | |

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| | | |
|--|-----|-----------------------|
| Refunding RB, Senior Lien, Series A, 5.00%, 11/01/24 | 910 | 1,027,536 |
| Yonkers Industrial Development Agency New York, RB, Sacred Heart Associations Project, Series A, AMT (SONYMA), 4.80%, 10/01/26 | 750 | 794,925 14,021,242 |

Housing 8.8%

| | | |
|---|-------|------------------------|
| New York City Housing Development Corp., RB, Series H-2-A, AMT, 5.00%, 11/01/30 | 780 | 813,197 |
| New York Mortgage Agency, Refunding RB, AMT: Homeowner Mortgage, Series 130, 4.75%, 10/01/30 | 2,500 | 2,553,825 |
| Series 133, 4.95%, 10/01/21 | 395 | 413,292 |
| Series 143, 4.85%, 10/01/27 | 500 | 519,675 |
| Yonkers EDC, Refunding RB, Riverview II (Freddie Mac), 4.50%, 5/01/25 | 1,500 | 1,631,010 5,930,999 |

State 18.1%

| | | |
|--|-------|-----------|
| Buffalo & Erie County Industrial Land Development Corp., RB, Buffalo State College Foundation Housing, 6.00%, 10/01/31 | 1,000 | 1,220,580 |
| Metropolitan Transportation Authority, Refunding RB, Series D, 4.00%, 11/15/32 (b) | 1,000 | 1,031,490 |
| New York State Dormitory Authority, ERB, Series F, 5.00%, 3/15/30 | 1,290 | 1,400,850 |
| New York State Dormitory Authority, LRB, Municipal Health Facilities, Sub- Series 2-4, 5.00%, 1/15/27 | 600 | 667,632 |
| New York State Dormitory Authority, RB: Education, Series D, 5.00%, 3/15/31 | 500 | 564,770 |
| School Districts Financing Program, Series C, 5.00%, 10/01/26 | 2,360 | 2,832,024 |
| New York State Dormitory Authority, Refunding RB: Department of Health, Series A (CIFG), 5.00%, 7/01/25 | 1,500 | 1,646,100 |
| Saint John s University, Series A, 5.00%, 7/01/27 (b) | 220 | 260,187 |

Municipal Bonds **Par (000) Value**

New York (concluded)

State (concluded)

New York State Thruway Authority, Refunding RB,

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| | | |
|--|----------|--------------|
| Series A-1, 5.00%, 4/01/22 | \$ 1,000 | \$ 1,195,160 |
| New York State Urban Development Corp., RB, State Personal Income Tax: | | |
| Series A, 3.50%, 3/15/28 | 750 | 792,307 |
| State Facilities, Series A-1 (NPFGC), 5.00%, 3/15/24 | 485 | 522,141 |
| | | 12,133,241 |
| Tobacco — 1.5% | | |
| Tobacco Settlement Financing Corp. New York, RB, Asset-Backed Series B-1C, 5.50%, 6/01/22 | 1,000 | 1,042,220 |
| Transportation — 16.5% | | |
| Metropolitan Transportation Authority, RB: | | |
| Series A (NPFGC), 5.00%, 11/15/24 | 2,000 | 2,302,620 |
| Series B (NPFGC), 5.25%, 11/15/19 | 860 | 1,055,478 |
| Series E, 5.00%, 11/15/42 | 85 | 95,541 |
| Sub-Series B-1, 5.00%, 11/15/24 | 460 | 566,573 |
| Sub-Series B-4, 5.00%, 11/15/24 | 300 | 369,504 |
| Transportation, Series A, 5.00%, 11/15/27 | 1,000 | 1,168,110 |
| Metropolitan Transportation Authority, Refunding RB, Series B, 5.25%, 11/15/25 | 750 | 894,660 |
| New York State Thruway Authority, RB, Series I, 5.00%, 1/01/37 | 370 | 418,947 |
| Port Authority of New York & New Jersey, RB: | | |
| Consolidated 152nd, Series, AMT, 5.00%, 11/01/24 | 1,000 | 1,120,450 |
| JFK International Air Terminal, 5.00%, 12/01/20 | 1,000 | 1,107,180 |
| Port Authority of New York & New Jersey, Refunding RB, AMT: | | |
| 152nd Series, 5.00%, 11/01/23 | 500 | 568,895 |
| Consolidated, 138th Series, 4.75%, 12/01/30 | 205 | 214,551 |
| Triborough Bridge & Tunnel Authority, RB, Series A, 5.00%, 1/01/27 | 1,000 | 1,199,300 |
| | | 11,081,809 |
| Utilities — 13.2% | | |
| Long Island Power Authority, RB, General, Series A, 5.00%, 5/01/36 | 250 | 280,243 |
| Long Island Power Authority, Refunding RB: | | |
| Series A, 5.50%, 4/01/24 | 875 | 1,054,917 |
| Series D (NPFGC), 5.00%, 9/01/25 | 2,000 | 2,244,300 |
| New York City Municipal Water Finance Authority, Refunding RB: | | |
| Series DD, 5.00%, 6/15/32 | 500 | 574,040 |
| Series EE, 5.00%, 6/15/34 | 3,000 | 3,509,280 |

| | | |
|---|-------|-------------------|
| New York State Environmental Facilities Corp., Refunding RB, NYC Municipal Water, 5.00%, 6/15/31 | 1,000 | 1,189,910 |
| | | 8,852,690 |
| Total Municipal Bonds in New York | | 83,551,382 |

Puerto Rico — 8.8%

Housing — 2.6%

| | | |
|---|-------|-----------|
| Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27 | 1,570 | 1,740,235 |
|---|-------|-----------|

State — 0.8%

| | | |
|--|-----|---------|
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M -3 (NPFGC), 6.00%, 7/01/28 | 500 | 564,270 |
|--|-----|---------|

Transportation — 5.4%

| | | |
|---|-------|-----------|
| Puerto Rico Highway & Transportation Authority, RB, Series Y (AGM), 6.25%, 7/01/21 | 3,000 | 3,621,510 |
|---|-------|-----------|

| | | |
|---|--|------------------|
| Total Municipal Bonds in Puerto Rico | | 5,926,015 |
|---|--|------------------|

See Notes to Financial Statements.

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**BlackRock Muni New York Intermediate Duration
Fund, Inc. (MNE)**
(Percentages shown are based on Net Assets)

Schedule of Investments (concluded)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| US Virgin Islands — 1.6% | | |
| State — 1.6% | | |
| Virgin Islands Public Finance Authority, RB, Senior Lien, Matching Fund Loan Note, Series A, 5.25%, 10/01/24 | \$ 1,000 | \$ 1,054,790 |
| Total Municipal Bonds in the US Virgin Islands | | 1,054,790 |
| Total Municipal Bonds — 134.8% | | 90,532,187 |

**Municipal Bonds Transferred to
Tender Option Bond Trusts (c)**

New York — 18.6%**County/City/Special District/School District — 6.9%**

| | | |
|---|-------|-----------|
| City of New York New York, GO: | | |
| Sub-Series B-1, 5.25%, 9/01/22 | 750 | 920,760 |
| Sub-Series I-1, 5.50%, 4/01/21 | 1,499 | 1,888,018 |
| New York State Urban Development Corp., Refunding RB, Service Contract, Series B, 5.00%, 1/01/21 | 1,499 | 1,790,773 |
| | | 4,599,551 |

Transportation — 4.9%

| | | |
|--|-------|-----------|
| Port Authority of New York & New Jersey, RB, Consolidated, Series 169, AMT: | | |
| 5.00%, 10/15/21 | 2,000 | 2,434,700 |
| 5.00%, 10/15/26 | 750 | 873,780 |
| | | 3,308,480 |

Utilities — 6.8%

| | | |
|---|-------|-----------|
| New York City Municipal Water Finance Authority, Refunding RB: | | |
| Second General Resolution, Series HH, | | |
| 5.00%, 6/15/32 | 1,560 | 1,819,912 |
| Series A, 4.75%, 6/15/30 | 1,500 | 1,680,930 |
| Suffolk County Water Authority, Refunding RB, | | |

| | | |
|---|-------|-------------|
| 3.00%, 6/01/25 | 1,006 | 1,048,869 |
| | | 4,549,711 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 18.6% | | 12,457,742 |
| Total Long-Term Investments (Cost — \$94,287,272) — 153.4% | | 102,989,929 |

| | | |
|---|---------------|---------------|
| Short-Term Securities | Shares | |
| BIF New York Municipal Money Fund, 0.00% (d)(e) | 480,082 | 480,082 |
| Total Short-Term Securities (Cost — \$480,082) — 0.7% | | 480,082 |
| Total Investments (Cost — \$94,767,354) — 154.1% | | 103,470,011 |
| Liabilities in Excess of Other Assets — (0.8)% | | (500,272) |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (9.2)% | | (6,210,979) |
| VRDP Shares, at Liquidation Value — (44.1)% | | (29,600,000) |
| Net Assets Applicable to Common Shares — 100.0% | | \$ 67,158,760 |

(a) Variable rate security. Rate shown is as of report date.

(b) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation |
|----------------------|--------------|--------------------------------|
| First Southwest Co. | \$1,031,490 | \$24,850 |
| Morgan Stanley & Co. | \$ 260,187 | \$ 2,768 |

Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest (c)certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(d) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at July 31, 2011 | Net Activity | Shares Held at July 31, 2012 | Income |
|-----------------------------------|-------------------------------------|---------------------|-------------------------------------|---------------|
| BIF New York Municipal Money Fund | 760,684 | (280,602) | 480,082 | \$4 |

(e) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any 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 Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 — unadjusted price quotations in active markets/exchanges for identical assets and liabilities

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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment 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 other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of July 31, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|-----------|---------------|---------|---------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$102,989,929 | — | \$102,989,929 |
| Short-Term | | | | |
| Securities | \$480,082 | — | — | 480,082 |
| Total | \$480,082 | \$102,989,929 | — | \$103,470,011 |

¹See above Schedule of Investments for values in each sector or political subdivision.

Certain of the Fund's liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of July 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|---------|----------------|---------|-----------------|
| Liabilities: | | | | |
| TOB trust | | | | |
| certificates | — | \$ (6,208,399) | — | \$ (6,208,399) |
| VRDP Shares | — | (29,600,000) | — | (29,600,000) |
| Total | — | \$(35,808,399) | — | \$ (35,808,399) |

There were no transfers between levels during the year ended July 31, 2012.

See Notes to Financial Statements.

Schedule of Investments July 31, 2012

BlackRock MuniYield Arizona Fund, Inc. (MZA)
(Percentages shown are based on Net Assets)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| Arizona — 132.5% | | |
| Corporate — 9.3% | | |
| Maricopa County Pollution Control Corp., Refunding RB, Southern California Edison Co., Series A, 5.00%, 6/01/35 | \$ 4,350 | \$ 4,812,318 |
| Pima County IDA, Tucson Electric Power, RB, Series A, 5.25%, 10/01/40 | 1,000 | 1,062,160 |
| Pima County IDA, Tucson Electric Power, Refunding IDR, 5.75%, 9/01/29 | 500 | 531,715 |
| | | 6,406,193 |
| County/City/Special District/School District — 41.8% | | |
| City of Glendale Arizona, RB (NPFGC), 5.00%, 7/01/25 | 1,000 | 1,142,460 |
| City of Tucson Arizona, COP (AGC), 5.00%, 7/01/29 | 1,000 | 1,124,060 |
| County of Pinal Arizona, COP: 5.00%, 12/01/26 | 1,250 | 1,318,087 |
| 5.00%, 12/01/29 | 1,250 | 1,310,200 |
| Gilbert Public Facilities Municipal Property Corp. Arizona, RB, 5.50%, 7/01/27 | 2,000 | 2,319,640 |
| Gladden Farms Community Facilities District, GO, 5.50%, 7/15/31 | 750 | 770,048 |
| Greater Arizona Development Authority, RB, Santa Cruz County Jail, Series 2, 5.25%, 8/01/31 | 1,155 | 1,262,230 |
| Marana Municipal Property Corp., RB, Series A, 5.00%, 7/01/28 | 2,500 | 2,739,350 |
| Maricopa County Community College District Arizona, GO, Series C, 3.00%, 7/01/22 | 1,000 | 1,057,980 |
| Maricopa County Public Finance Corp., RB, Series A (AMBAC), 5.00%, 7/01/24 | 1,000 | 1,130,890 |
| Maricopa County Unified School District No. 89-Dysart Arizona, GO, School Improvement Project of 2006, Series C, 6.00%, 7/01/28 | 1,000 | 1,167,400 |
| Mohave County Unified School District No. 20 Kingman, | | |

| | | |
|---|-------|------------|
| GO, School Improvement Project of 2006, Series C (AGC), 5.00%, 7/01/26 | 1,000 | 1,207,120 |
| Phoenix Civic Improvement Corp., RB, Subordinate, Civic Plaza Expansion Project, Series A (NPFGC), 5.00%, 7/01/35 | 3,325 | 3,615,073 |
| Phoenix Mesa Airport Authority, RB, Mesa Project, AMT, 5.00%, 7/01/38 | 3,600 | 3,774,888 |
| Scottsdale Municipal Property Corp. Arizona, RB, Water & Sewer Development Project, Series A, 5.00%, 7/01/24 | 1,500 | 1,768,230 |
| Vistancia Community Facilities District Arizona, GO: 6.75%, 7/15/22 | 1,275 | 1,278,672 |
| 5.75%, 7/15/24 | 750 | 799,800 |
| Yuma County Library District, GO (Syncora), 5.00%, 7/01/26 | 1,000 | 1,097,720 |
| | | 28,883,848 |

Education — 14.6%

| | | |
|---|-------|-----------|
| Arizona Board of Regents, Refunding, COP, University of Arizona, Series C, 5.00%, 6/01/31 | 2,000 | 2,272,640 |
| Arizona State University, RB, Series 2008-C: 6.00%, 7/01/25 | 970 | 1,164,485 |
| 6.00%, 7/01/26 | 745 | 891,415 |
| 6.00%, 7/01/27 | 425 | 506,587 |
| 6.00%, 7/01/28 | 400 | 475,336 |
| Maricopa County IDA Arizona, RB, Arizona Charter Schools Project, Series A, 6.63%, 7/01/20 | 700 | 567,833 |
| Phoenix IDA Arizona, Education Revenue, RB, Great Hearts Academies Project, 6.30%, 7/01/42 | 500 | 532,795 |
| Pima County IDA, RB, Arizona Charter Schools Project: Series A, 6.75%, 7/01/21 | 395 | 396,742 |
| Series C, 6.70%, 7/01/21 | 700 | 702,800 |
| Series C, 6.75%, 7/01/31 | 980 | 982,675 |
| Pima County IDA, Refunding RB, Arizona Charter Schools Project, Series O, 5.00%, 7/01/26 | 995 | 909,858 |

| | | |
|------------------------|----------------------|--------------|
| Municipal Bonds | Par (000) | Value |
|------------------------|----------------------|--------------|

Arizona (continued)

Education (concluded)

| | | |
|---|--|------------|
| University of Arizona, COP, University of Arizona Projects, Series B (AMBAC), 5.00%, 6/01/28 (a) | | \$ 675,740 |
|---|--|------------|

\$
650
10,078,906

Health — 19.2%

| | | |
|---|-------|------------|
| Arizona Health Facilities Authority, RB, Catholic Healthcare West, Series B-2, 5.00%, 3/01/41 | 500 | 541,675 |
| Arizona Health Facilities Authority, Refunding RB, Banner Health, Series D: | | |
| 6.00%, 1/01/30 | 1,500 | 1,529,235 |
| 5.50%, 1/01/38 | 2,300 | 2,559,900 |
| Maricopa County IDA, RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39 | 170 | 195,004 |
| Maricopa County IDA Arizona, Refunding RB: | | |
| Catholic Healthcare West, Series A, 5.50%, 7/01/26 | 1,850 | 1,939,891 |
| Samaritan Health Services, Series A (NPFGC), 7.00%, 12/01/16 (b) | 1,000 | 1,172,270 |
| Tempe IDA, Refunding RB, Friendship Village of Tempe, Series A, 6.25%, 12/01/42 | 500 | 538,200 |
| University Medical Center Corp. Arizona, RB, 6.50%, 7/01/39 | 500 | 579,440 |
| University Medical Center Corp. Arizona, Refunding RB, 6.00%, 7/01/39 | 1,000 | 1,141,470 |
| Yavapai County IDA Arizona, RB, Yavapai Regional Medical Center, Series A, 6.00%, 8/01/33 | 1,800 | 1,880,712 |
| Yavapai County IDA Arizona, Refunding RB, Northern Arizona Healthcare System, 5.25%, 10/01/26 | 1,000 | 1,181,750 |
| | | 13,259,547 |

Housing — 2.2%

| | | |
|--|-----|-----------|
| Maricopa County & Phoenix IDA, Refunding RB, AMT (Ginnie Mae), S/F: | | |
| Series A-1, 5.75%, 5/01/40 | 175 | 189,250 |
| Series A-2, 5.80%, 7/01/40 | 205 | 211,228 |
| Maricopa County IDA Arizona, RB, Series 3-B, AMT (Ginnie Mae), 5.25%, 8/01/38 | 368 | 392,984 |
| Phoenix & Pima County IDA, RB, Series 1A, AMT (Ginnie Mae), 5.65%, 7/01/39 | 141 | 149,556 |
| Phoenix & Pima County IDA, Refunding RB, Series 2007-1, AMT (Ginnie Mae), 5.25%, 8/01/38 | 211 | 220,759 |
| Phoenix IDA Arizona, Refunding RB, Series 2007-2, AMT (Ginnie Mae), 5.50%, 8/01/38 | 321 | 339,387 |
| | | 1,503,164 |

State — 23.6%

Arizona School Facilities Board, COP:

5.13%, 9/01/21 1,000 1,144,050

5.75%, 9/01/22 2,000 2,347,040

Arizona Sports & Tourism Authority, Refunding RB,
Multipurpose Stadium Facility Project, Series A,

5.00%, 7/01/36 3,000 3,297,660

Arizona State Transportation Board, RB, Series B,

5.00%, 7/01/30 4,000 4,544,400

Greater Arizona Development Authority, RB, Series B
(NPFGC):

5.00%, 8/01/30 1,600 1,735,200

5.00%, 8/01/35 1,000 1,080,190

State of Arizona, RB, Series A (AGM), 5.00%, 7/01/29 1,930 2,187,655

16,336,195

Transportation — 6.4%

Phoenix Civic Improvement Corp., Refunding RB, Junior
Lien, Series A, 5.00%, 7/01/40

1,000 1,102,910

See Notes to Financial Statements.

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BlackRock MuniYield Arizona Fund, Inc.
(MZA)
(Percentages shown are based on Net Assets)

Schedule of Investments (continued)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|-------------------|
| Arizona (concluded) | | |
| Transportation (concluded) | | |
| Phoenix Civic Improvement Corp., RB, Senior Lien: | | |
| | \$ | |
| Series A, 5.00%, 7/01/33 | 1,000 | \$ 1,094,610 |
| Series B, AMT (NPFGC), 5.75%, 7/01/17 | 1,000 | 1,003,390 |
| Series B, AMT (NPFGC), 5.25%, 7/01/27 | 450 | 450,666 |
| Series B, AMT (NPFGC), 5.25%, 7/01/32 | 755 | 755,899 |
| | | 4,407,475 |
| Utilities — 15.4% | | |
| Gilbert Water Resource Municipal Property Corp., RB, Subordinate Lien (NPFGC), 5.00%, 10/01/29 | | |
| | 900 | 977,886 |
| Phoenix Civic Improvement Corp., Refunding RB, Senior Lien, 5.50%, 7/01/22 | | |
| | 2,000 | 2,434,840 |
| Pima County Arizona, RB, Series B, 5.00%, 7/01/26 | | |
| | 1,000 | 1,171,220 |
| Pinal County Electric District No. 3, RB, Refunding, 5.25%, 7/01/36 | | |
| | 2,500 | 2,773,900 |
| Pinal County IDA Arizona, RB, San Manuel Facility Project, AMT, 6.25%, 6/01/26 | | |
| | 500 | 499,535 |
| Salt River Project Agricultural Improvement & Power District, RB, Series A, 5.00%, 1/01/24 | | |
| | 1,000 | 1,178,000 |
| Salt River Project Agricultural Improvement & Power District, Refunding RB, Series A, 5.00%, 1/01/35 | | |
| | 1,500 | 1,646,835 |
| | | 10,682,216 |
| Total Municipal Bonds in Arizona | | 91,557,544 |
| Guam — 1.5% | | |
| State — 1.5% | | |
| Government of Guam Business Privilege Tax Revenue, RB, Series A, 5.13%, 1/01/42 | | |
| | 800 | 887,912 |
| Territory of Guam, RB, Series B-1, 5.00%, 1/01/37 | | |
| | 145 | 159,990 |

Total Municipal Bonds in Guam 1,047,902

Puerto Rico — 10.8%

State — 7.5%

| | | |
|---|-------|-----------|
| Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/28 | 700 | 789,978 |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39 | 1,500 | 1,776,945 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB: CAB, Series A (NPFGC), 5.55%, 8/01/41 (c) | 9,530 | 1,947,551 |
| First Sub, Series C, 6.00%, 8/01/39 | 600 | 688,098 |
| | | 5,202,572 |

Transportation — 0.1%

| | | |
|--|----|--------|
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series AA (NPFGC), 5.50%, 7/01/18 | 50 | 57,034 |
|--|----|--------|

Utilities — 3.2%

| | | |
|--|-------|-----------|
| Puerto Rico Electric Power Authority, RB, Series WW: 5.38%, 7/01/24 | 1,000 | 1,119,510 |
| 5.50%, 7/01/38 | 1,000 | 1,062,060 |
| | | 2,181,570 |

Total Municipal Bonds in Puerto Rico 7,441,176

Total Municipal Bonds — 144.8% 100,046,622

| Municipal Bonds Transferred to Tender Option Bond Trusts (d) | Par (000) | Value |
|---|----------------------|--------------|
|---|----------------------|--------------|

Arizona — 11.1%

Utilities — 11.1%

| | | |
|---|----------|--------------|
| City of Mesa Arizona, RB, 5.00%, 7/01/35 | \$ 3,000 | \$ 3,428,460 |
| Phoenix Arizona Civic Improvement Corp., RB, 5.00%, 7/01/34 | 3,000 | 3,487,980 |
| Salt River Project Agricultural Improvement & Power District, RB, 5.00%, 1/01/38 | 660 | 733,544 |

**Total Municipal Bonds Transferred to
Tender Option Bond Trusts — 11.1%** 7,649,984

**Total Long-Term Investments
(Cost — \$98,971,153) — 155.9%** 107,696,606

| | |
|---|---------------------|
| Short-Term Securities | Shares |
| FFI Institutional Tax-Exempt Fund, 0.01% (e)(f) | 1,351,621 1,351,621 |
| Total Short-Term Securities | |
| (Cost — \$1,351,621) — 2.0% | 1,351,621 |
| Total Investments (Cost — \$100,322,774) — 157.9% | 109,048,227 |
| Other Assets Less Liabilities — 0.9% | 653,181 |
| Liability for TOB Trust Certificates, Including Interest | |
| Expense and Fees Payable — (4.8)% | (3,330,448) |
| VRDP Shares, at Liquidation Value — (54.0)% | (37,300,000) |
| Net Assets Applicable to Common Shares — 100.0% | \$ 69,070,960 |

(a) US 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) Security is collateralized by Municipal or US Treasury obligations.

(c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest

(d) certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(e) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at July 31, 2011 | Net Activity | Shares Held at July 31, 2012 | Income |
|--------------------------------------|---|-------------------------|---|---------------|
| BIF Arizona Municipal Money Fund | 2,960,530 | (2,960,530) | — | — |
| FFI Institutional Tax-Exempt Fund | — | 1,351,621 | 1,351,621 | — |

(f) Represents the current yield as of report date.

- For Fund compliance purposes, the Fund's sector classifications refer to any 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 Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

See Notes to Financial Statements.

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BlackRock MuniYield Arizona Fund, Inc.
(MZA)

Schedule of Investments (concluded)

Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 — unadjusted price quotations in active markets/exchanges for identical assets and liabilities
 - 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)
- Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment 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 other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of July 31, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|--------------------|----------------------|----------|-----------------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$107,696,606 | — | \$ 107,696,606 |
| Short-Term | | | | |
| Securities | \$1,351,621 | — | — | 1,351,621 |
| Total | \$1,351,621 | \$107,696,606 | — | \$ 109,048,227 |

¹ See above Schedule of Investments for values in each sector or political subdivision.

Certain of the Fund's liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of July 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|---------|------------------------|----------|------------------------|
| Liabilities: | | | | |
| TOB trust | | | | |
| certificates | | \$ (3,330,000) | — | \$ (3,330,000) |
| VRDP Shares | | (37,300,000) | — | (37,300,000) |
| Total | | \$ (40,630,000) | — | \$ (40,630,000) |

There were no transfers between levels during the year ended July 31, 2012.

See Notes to Financial Statements.

**BlackRock MuniYield California Fund, Inc.
(MYC)
(Percentages shown are based on Net Assets)**

Schedule of Investments July 31, 2012

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------|
| California — 92.1% | | |
| Corporate — 0.3% | | |
| City of Chula Vista California, Refunding RB, San Diego | | |
| | \$ | |
| Gas & Electric, Series A, 5.88%, 2/15/34 | 975 | \$ 1,150,939 |
| County/City/Special District/School District — 35.3% | | |
| California State Public Works Board, RB, Various Capital Projects, Sub-Series I-1, 6.63%, 11/01/34 | 5,525 | 6,812,877 |
| Campbell Union High School District, GO, Election of 2006, Series C, 5.75%, 8/01/40 | 4,000 | 4,780,360 |
| City of Los Angeles California, COP, Senior, Sonnenblick Del Rio West Los Angeles (AMBAC), 6.20%, 11/01/31 | 2,000 | 2,007,700 |
| City of San Jose California, RB, Convention Center Expansion & Renovation Project: | | |
| 6.50%, 5/01/36 | 1,520 | 1,771,241 |
| 6.50%, 5/01/42 | 1,860 | 2,165,505 |
| Contra Costa Community College District, GO, Election 2002 (AGM), 5.00%, 8/01/30 | 10,215 | 10,911,152 |
| Desert Community College District, GO, CAB, Election of 2004, Series C (AGM), 5.48%, 8/01/46 (a) | 5,000 | 794,550 |
| El Monte Union High School District California, GO, Election of 2002, Series C (AGM), 5.25%, 6/01/32 | 9,620 | 10,874,448 |
| Grossmont Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/40 | 2,000 | 2,454,460 |
| Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39 | 7,005 | 8,167,410 |
| Los Angeles Municipal Improvement Corp., RB, Real Property, Series E: | | |
| 5.75%, 9/01/34 | 1,175 | 1,341,921 |
| 6.00%, 9/01/34 | 2,380 | 2,760,062 |
| Los Rios Community College District, Election of 2002, GO, Series D, 5.38%, 8/01/34 | 4,125 | 4,722,630 |

| | | |
|---|--------|-------------|
| Oak Grove School District California, GO, Election of 2008, Series A, 5.50%, 8/01/33 | 4,000 | 4,679,440 |
| Ohlone Community College District, GO, Election of 2010, Series A, 5.25%, 8/01/41 | 7,135 | 8,252,840 |
| Orange County Sanitation District, COP (NPFGC), 5.00%, 2/01/33 (b) | 9,350 | 9,793,003 |
| Pico Rivera Public Financing Authority, RB, 5.75%, 9/01/39 | 6,025 | 6,796,260 |
| San Diego Regional Building Authority California, RB, County Operations Center & Annex, Series A, 5.38%, 2/01/36 | 5,100 | 5,749,536 |
| Santa Ana Unified School District, GO, Election of 2008, Series A, 5.13%, 8/01/33 | 6,020 | 6,654,990 |
| Santa Clara County Financing Authority, Refunding LRB, Series L, 5.25%, 5/15/36 | 15,970 | 17,784,990 |
| Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39 | 1,250 | 1,518,950 |
| William S. Hart Union High School District, GO, CAB (a): Refunding, Series B (AGM), 4.99%, 8/01/34 | 10,850 | 3,668,711 |
| Series B (AGM), 5.02%, 8/01/35 | 9,700 | 3,101,187 |
| | | 127,564,223 |

Education — 4.7%

| | | |
|---|-------|------------|
| California Educational Facilities Authority, RB, University Southern California, Series B, 5.00%, 10/01/38 | 3,000 | 3,483,780 |
| California Educational Facilities Authority, Refunding RB: Pitzer College, 6.00%, 4/01/40 | 2,500 | 2,950,100 |
| San Francisco University, 6.13%, 10/01/36 | 1,430 | 1,750,020 |
| California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42 | 2,500 | 2,949,250 |
| University of California, Refunding RB Limited Project, Series G, 5.00%, 5/15/37 (c) | 5,155 | 5,957,427 |
| | | 17,090,577 |

Municipal Bonds

**Par
(000) Value**

California — (continued)

Health — 18.7%

ABAG Finance Authority for Nonprofit Corps,
Refunding RB, Sharp Healthcare:

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| | | |
|---|----------|--------------|
| 6.38%, 8/01/34 | \$ 2,000 | \$ 2,132,100 |
| Series A, 6.00%, 8/01/30 | 2,270 | 2,795,596 |
| California Health Facilities Financing Authority, RB: | | |
| Children's Hospital, Series A, 5.25%, 11/01/41 | 5,000 | 5,531,900 |
| Stanford Hospital and Clinics, Series A, 5.00%, 8/15/51 | 4,875 | 5,346,607 |
| Sutter Health, Series B, 6.00%, 8/15/42 | 7,530 | 9,043,530 |
| California Health Facilities Financing Authority, Refunding RB: | | |
| Catholic Healthcare West, Series A, 6.00%, 7/01/39 | 10,000 | 11,799,400 |
| Providence Health, 6.50%, 10/01/38 | 3,625 | 4,322,994 |
| St. Joseph Health System, Series A, 5.50%, 7/01/29 | 2,100 | 2,452,800 |
| California Statewide Communities Development Authority, RB: | | |
| Health Facility, Memorial Health Services, Series A, 6.00%, 10/01/23 (b) | 3,270 | 3,396,745 |
| Kaiser Permanente, Series A, 5.00%, 4/01/42 | 10,000 | 10,945,800 |
| Sutter Health, Series A, 6.00%, 8/15/42 | 7,995 | 9,601,995 |
| | | 67,369,467 |
| Housing — 1.0% | | |
| California Rural Home Mortgage Finance Authority, RB, AMT: | | |
| Mortgage-Backed Securities Program, Series B (Ginnie Mae), 6.15%, 6/01/20 | 5 | 5,056 |
| Sub-Series FH-1, 5.50%, 8/01/47 | 265 | 128,316 |
| Santa Clara County Housing Authority California, RB, John Burns Gardens Apartments Project, Series A, AMT, 6.00%, 8/01/41 | 3,500 | 3,517,430 |
| | | 3,650,802 |
| State — 13.5% | | |
| California State Public Works Board, RB: | | |
| Department of Developmental Services, Porterville, Series C, 6.25%, 4/01/34 | 1,385 | 1,647,707 |
| Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34 | 10,000 | 12,086,600 |
| Trustees of the California State University, Series D, 6.00%, 4/01/27 | 215 | 254,556 |
| Various Capital Projects, Sub-Series I-1, 6.38%, 11/01/34 | 4,400 | 5,344,900 |
| State of California, GO, Various Purpose: 6.00%, 4/01/38 | 20,000 | 23,613,200 |

| | | |
|-----------------|-------|------------|
| 6.00%, 11/01/39 | 4,835 | 5,773,570 |
| | | 48,720,533 |

Transportation — 8.2%

City of San Jose California, RB, Series A-1, AMT (AGM):

| | | |
|----------------|-------|-----------|
| 5.50%, 3/01/30 | 1,000 | 1,138,400 |
| 5.75%, 3/01/34 | 1,000 | 1,146,380 |

| | | |
|--|-------|-----------|
| City of San Jose California, Refunding RB, Series A-1, AMT, 6.25%, 3/01/34 | 1,400 | 1,660,442 |
|--|-------|-----------|

| | | |
|---|-------|-----------|
| County of Orange California, RB, Series B, 5.75%, 7/01/34 | 3,000 | 3,389,070 |
|---|-------|-----------|

County of Sacramento California, RB:

| | | |
|---|-------|-----------|
| Airport System Subordinate, PFC/Grant, Series D, 6.00%, 7/01/35 | 3,000 | 3,468,660 |
|---|-------|-----------|

| | | |
|---------------------------------|-----|-----------|
| Senior Series B, 5.75%, 7/01/39 | 900 | 1,025,910 |
|---------------------------------|-----|-----------|

| | | |
|--|-------|-----------|
| Los Angeles Department of Airports, RB, Series A, 5.25%, 5/15/39 | 2,775 | 3,126,731 |
|--|-------|-----------|

| | | |
|---|-------|-----------|
| San Francisco City & County Airports Commission, RB, Series E, 6.00%, 5/01/39 | 5,065 | 5,990,376 |
|---|-------|-----------|

See Notes to Financial Statements.

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**BlackRock MuniYield California Fund, Inc.
(MYC)****(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|--------------------|
| California — (continued) | | |
| Transportation — (concluded) | | |
| San Francisco Port Commission California, RB, Series A, 5.13%, 3/01/40 | \$ 5,010 | \$ 5,502,483 |
| San Joaquin County Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36 | 2,400 | 2,939,184 |
| | | 29,387,636 |
| Utilities — 10.4% | | |
| City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series D, 5.88%, 1/01/34 | 4,000 | 4,694,760 |
| City of Los Angeles California, Refunding RB, Sub-Series A, 5.00%, 6/01/32 | 3,000 | 3,452,130 |
| City of Petaluma California, Refunding RB, 6.00%, 5/01/36 | 2,645 | 3,233,301 |
| Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41 | 2,420 | 2,946,955 |
| Eastern Municipal Water District California, COP, Series H, 5.00%, 7/01/35 | 8,400 | 9,218,412 |
| Los Angeles Department of Water & Power, RB, Series B, 5.00%, 7/01/43 (c) | 2,000 | 2,318,540 |
| Los Angeles Department of Water & Power, Refunding RB, System, Series A, 5.25%, 7/01/39 | 4,000 | 4,681,160 |
| San Diego Public Facilities Financing Authority, Refunding RB, Senior Series A, 5.38%, 5/15/34 | 3,910 | 4,533,645 |
| San Francisco City & County Public Utilities Commission, Refunding RB, Series A, 5.13%, 11/01/39 | 2,295 | 2,600,143 |
| | | 37,679,046 |
| Total Municipal Bonds — 92.1% | | 332,613,223 |

**Municipal Bonds Transferred to
Tender Option Bond Trusts (d)**

California — 68.6%**County/City/Special District/School District — 30.9%**

| | | |
|---|--------|-------------|
| City of Los Angeles California, Refunding RB, Series A, 5.00%, 6/01/39 | 9,870 | 11,016,401 |
| El Dorado Union High School District, GO, Election of 2008, 5.00%, 8/01/35 | 5,000 | 5,608,300 |
| Fremont Unified School District Alameda County California, GO, Election of 2002, Series B (AGM), 5.00%, 8/01/30 | 4,003 | 4,431,372 |
| Los Angeles Community College District California, GO: Election of 2001, Series E-1, 5.00%, 8/01/33 | 14,850 | 16,774,114 |
| Election of 2003, Series E (AGM), 5.00%, 8/01/31 | 10,002 | 11,145,787 |
| Election of 2008, Series C, 5.25%, 8/01/39 | 9,680 | 11,286,541 |
| Series A, 6.00%, 8/01/33 | 3,828 | 4,661,901 |
| San Diego Community College District California, GO, Election of 2002, 5.25%, 8/01/33 | 7,732 | 9,068,601 |
| San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30 | 6,000 | 6,597,000 |
| San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34 | 5,439 | 5,979,640 |
| San Marcos Unified School District, GO, Election of 2010 Series A, 5.00%, 8/01/38 | 15,520 | 17,354,930 |
| Sonoma County Junior College District, GO, Election of 2002, Series B (AGM), 5.00%, 8/01/28 | 6,875 | 7,562,891 |
| | | 111,487,478 |

Municipal Bonds Transferred to Tender Option Bond Trusts (d)

| Par (000) | Value |
|----------------------|--------------|
|----------------------|--------------|

California — (concluded)**Education — 14.7%**

| | | |
|---|----------|---------------|
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39 | \$13,845 | \$ 16,206,265 |
| Peralta Community College District, GO, Election of 2000, Series D (AGM), 5.00%, 8/01/30 | 1,995 | 2,107,757 |
| University of California, RB: Limited Project, Series B (AGM), 5.00%, 5/15/33 | 8,488 | 8,891,632 |
| Series L, 5.00%, 5/15/36 | 8,500 | 9,594,545 |
| Series L, 5.00%, 5/15/40 | 11,597 | 13,007,039 |
| Series O, 5.75%, 5/15/34 | 2,805 | 3,372,910 |

| | | |
|--|---------------|----------------|
| | | 53,180,148 |
| Health — 3.1% | | |
| California Health Facilities Financing Authority, RB, Sutter Health, Series A (MBIA) (BHAC), 5.00%, 11/15/42 | 10,002 | 11,180,745 |
| Transportation — 1.5% | | |
| City of Los Angeles California Department of Airports, Refunding RB, Los Angeles International Airport, Senior, Series A, 5.00%, 5/15/40 | 4,999 | 5,611,360 |
| Utilities — 18.4% | | |
| Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33 | 4,748 | 5,245,781 |
| Los Angeles Department of Water & Power, RB, Power System: | | |
| Sub-Series A-1 (AMBAC), 5.00%, 7/01/37 | 15,098 | 17,002,623 |
| Sub-Series A-2 (AGM), 5.00%, 7/01/35 | 7,250 | 8,188,005 |
| Metropolitan Water District of Southern California, RB: | | |
| Series A, 5.00%, 7/01/37 | 20,000 | 22,792,600 |
| Series C, 5.00%, 7/01/35 | 7,145 | 8,052,048 |
| San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31 | 5,010 | 5,292,764 |
| | | 66,573,821 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 68.6% | | 248,033,552 |
| Total Long-Term Investments | | |
| (Cost — \$523,386,968) — 160.7% | | 580,646,775 |
| Short-Term Securities | Shares | |
| BIF California Municipal Money Fund, 0.00% (e)(f) | 3,043,312 | 3,043,312 |
| Total Short-Term Securities | | |
| (Cost — \$3,043,312) — 0.8% | | 3,043,312 |
| Total Investments (Cost — \$526,430,280) — 161.5% | | 583,690,087 |
| Other Assets Less Liabilities — 0.1% | | 469,346 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (32.3)% | | (116,918,740) |
| VRDP Shares, at Liquidation Value — (29.3)% | | (105,900,000) |
| Net Assets Applicable to Common Shares — 100.0% | | \$ 361,340,693 |

(a) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.

(b)

US 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.
See Notes to Financial Statements.

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**BlackRock MuniYield California Fund, Inc.
(MYC)**

Schedule of Investments (concluded)

(c) When-issued security. Unsettled when-issued transactions were as follows:

| Counterparty | Value | Unrealized Appreciation/ (Depreciation) |
|-----------------------|--------------|--|
| Wells Fargo Brokerage | \$ 2,318,540 | \$ 2,480 |
| Barclays Bank Plc | \$ 5,957,427 | \$ (12,527) |

Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest (d) certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

(e) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at July 31, 2011 | Net Activity | Shares Held at July 31, 2012 | Income |
|--|---|-------------------------|---|---------------|
| BIF California Municipal Money Fund | 5,041,430 | (1,998,118) | 3,043,312 | |

(f) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any 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 Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 unadjusted price quotations in active markets/exchanges for identical assets and liabilities

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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment 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 other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of July 31, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|----------------|----------------|----------------|----------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | | \$ 580,646,775 | | \$ 580,646,775 |
| Short-Term | | | | |
| Securities | \$ 3,043,312 | | | 3,043,312 |
| Total | \$ 3,043,312 | \$ 580,646,775 | | \$ 583,690,087 |

¹See above Schedule of Investments for values in each sector.

Certain of the Fund's liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of July 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|----------------|-------------------|----------------|-------------------|
| Liabilities: | | | | |
| TOB trust | | | | |
| certificates | | \$ (116,855,901) | | \$ (116,855,901) |
| VRDP Shares | | (105,900,000) | | (105,900,000) |
| Total | | \$ (222,755,901) | | \$ (222,755,901) |

There were no transfers between levels during the year ended July 31, 2012.

See Notes to Financial Statements.

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Schedule of Investments July 31, 2012

BlackRock MuniYield Investment Fund (MYF)
(Percentages shown are based on Net Assets)

| | Par | |
|--|--------------|--------------|
| | (000) | Value |
| Municipal Bonds | | |
| Alabama — 0.7% | | |
| Courtland IDB, Refunding RB, International Paper Co. Projects, Series A, AMT, 5.20%, 6/01/25 | \$ 1,000 | \$ 1,033,410 |
| Selma IDB, RB, International Paper Co. Project, Series A, 5.38%, 12/01/35 | 545 | 593,772 |
| | | 1,627,182 |
| Alaska — 0.8% | | |
| Alaska Municipal Bond Bank Authority, RB, Series 1, 5.75%, 9/01/33 | 1,000 | 1,154,250 |
| Northern Tobacco Securitization Corp., Refunding RB, Series A, 5.00%, 6/01/46 | 690 | 541,257 |
| | | 1,695,507 |
| Arizona — 0.8% | | |
| Arizona Board of Regents, Refunding RB, Arizona State University System, Series A, 5.00%, 6/01/42 | 1,500 | 1,719,360 |
| California — 11.5% | | |
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38 | 2,740 | 3,272,327 |
| California Health Facilities Financing Authority, RB: Stanford Hospital and Clinics, Series A, 5.00%, 8/15/42 | 1,625 | 1,795,040 |
| Sutter Health, Series B, 6.00%, 8/15/42 | 1,645 | 1,975,645 |
| California Health Facilities Financing Authority, Refunding RB, Catholic Healthcare West, Series A, 6.00%, 7/01/39 | 710 | 837,757 |
| California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A, 5.00%, 4/01/42 | 1,375 | 1,505,048 |
| City of San Jose California Airport, Refunding RB, Series A-1, AMT, 5.50%, 3/01/30 | 1,500 | 1,691,085 |
| Grossmont Union High School District, GO, Election of 2008, Series B, 4.75%, 8/01/45 | 4,130 | 4,451,644 |
| Los Angeles Department of Water & Power, RB, Power System, Sub-Series A-1, 5.25%, 7/01/38 | 3,600 | 4,197,276 |
| San Diego Regional Building Authority California, RB, | | |

| | | |
|--|-------|------------|
| County Operations Center & Annex, Series A, 5.38%, 2/01/36 | 1,310 | 1,476,842 |
| State of California, GO, Various Purpose, 6.00%, 3/01/33 | 2,535 | 3,122,714 |
| University of California, Refunding RB, Limited Project, Series G, 5.00%, 5/15/37 (a) | 1,000 | 1,155,660 |
| | | 25,481,038 |

District of Columbia — 1.0%

| | | |
|--|-------|-----------|
| District of Columbia Water & Sewer Authority, Refunding RB, Series A, 5.25%, 10/01/29 | 2,000 | 2,332,340 |
|--|-------|-----------|

Florida — 6.1%

| | | |
|--|-------|------------|
| County of Escambia Florida, Refunding RB, International Paper Corp. Projects, Series B, AMT, 5.00%, 8/01/26 | 600 | 601,464 |
| County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32 | 2,000 | 2,202,060 |
| County of Miami-Dade Florida, RB, Miami International Airport, Series A, AMT (NPFGC), 6.00%, 10/01/29 | 3,275 | 3,289,345 |
| Hillsborough County IDA, RB, National Gypsum Co., AMT: Series A, 7.13%, 4/01/30 | 2,500 | 2,501,650 |
| Series B, 7.13%, 4/01/30 | 2,290 | 2,290,687 |
| Manatee County Housing Finance Authority, RB, Series A, AMT (Ginnie Mae), 5.90%, 9/01/40 | 695 | 754,575 |
| Orange County Health Facilities Authority, RB, The Nemours Foundation Project, Series A, 5.00%, 1/01/29 | 1,610 | 1,802,620 |
| | | 13,442,401 |

Georgia — 0.5%

| | | |
|---|-----|-----------|
| Municipal Electric Authority of Georgia, Refunding RB, Project One, Sub-Series D, 6.00%, 1/01/23 | 880 | 1,051,072 |
|---|-----|-----------|

Municipal Bonds

| | Par (000) | Value |
|--|----------------------|--------------|
|--|----------------------|--------------|

Illinois — 13.2%

| | | |
|--|----------|--------------|
| Chicago Board of Education Illinois, GO, Series A, 5.50%, 12/01/39 | \$ 1,815 | \$ 2,115,963 |
| Chicago Park District, GO, Harbor Facilities, Series C, 5.25%, 1/01/40 | 100 | 113,049 |
| Chicago Transit Authority, RB, Sales Tax Receipts Revenue, 5.25%, 12/01/36 | 615 | 702,668 |
| City of Chicago Illinois, ARB, O'Hare International Airport, General Third Lien, Series C, 6.50%, 1/01/41 | 6,065 | 7,445,879 |

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| | | |
|---|-------|------------|
| City of Chicago Illinois, Refunding RB, Sales Tax, Series A, 5.25%, 1/01/38 | 765 | 878,205 |
| Cook County Forest Preserve District, GO: Refunding, Ltd Tax Project, Series B, 5.00%, 12/15/32 | 265 | 302,203 |
| Series C, 5.00%, 12/15/32 | 570 | 650,022 |
| Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41 | 4,000 | 4,530,400 |
| Illinois Finance Authority, Refunding RB: Central DuPage Health, Series B, 5.38%, 11/01/39 | 1,200 | 1,338,024 |
| Northwestern Memorial Hospital, Series A, 6.00%, 8/15/39 | 4,160 | 4,891,703 |
| Metropolitan Pier & Exposition Authority, Refunding RB, McCormick Place Project, Series B, 5.00%, 12/15/28 | 2,010 | 2,327,017 |
| Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23 | 1,370 | 1,598,681 |
| 6.00%, 6/01/28 | 390 | 453,847 |
| State of Illinois, RB, Build Illinois, Series B, 5.25%, 6/15/34 | 1,700 | 1,931,370 |
| | | 29,279,031 |

Indiana — 4.1%

| | | |
|--|-------|-----------|
| Indiana Municipal Power Agency, RB, Series B, 6.00%, 1/01/39 | 4,525 | 5,277,417 |
| Indianapolis Local Public Improvement Bond Bank, RB, Series F, 5.25%, 2/01/36 | 3,360 | 3,885,302 |
| | | 9,162,719 |

Kansas — 1.7%

| | | |
|--|-------|-----------|
| Kansas Development Finance Authority, Refunding RB, Adventist Health, 5.50%, 11/15/29 | 3,250 | 3,810,755 |
|--|-------|-----------|

Kentucky — 1.3%

| | | |
|--|-------|-----------|
| Kentucky Economic Development Finance Authority, RB, Owensboro Medical Health System, Series A, 6.38%, 6/01/40 | 1,300 | 1,529,697 |
| Louisville & Jefferson County Metropolitan Government Parking Authority, RB, Series A, 5.75%, 12/01/34 | 1,200 | 1,479,708 |
| | | 3,009,405 |

Louisiana — 0.7%

| | | |
|--|-------|-----------|
| Louisiana Local Government Environmental Facilities & Community Development Authority, RB, Series A-1, 6.50%, 11/01/35 | 1,420 | 1,644,985 |
|--|-------|-----------|

Maine — 1.4%

| | | |
|---|-------|-----------|
| Maine Health & Higher Educational Facilities Authority, RB, Maine General Medical Center, 7.50%, 7/01/32 | 2,500 | 3,108,200 |
| Massachusetts — 4.1% | | |
| Massachusetts Development Finance Agency, RB, Wellesley College, Series J, 5.00%, 7/01/42 | 660 | 771,250 |
| Massachusetts HFA, Refunding HRB, AMT: Series B, 5.50%, 6/01/41 | 3,000 | 3,226,770 |
| Series F, 5.70%, 6/01/40 | 2,015 | 2,165,198 |
| Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42 | 1,630 | 1,747,963 |
| Massachusetts State College Building Authority, RB, Series A, 5.50%, 5/01/39 | 1,000 | 1,155,650 |
| | | 9,066,831 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Investment Fund (MYF)
(Percentages shown are based on Net Assets)

| | Par (000) | Value |
|--|----------------------|--------------|
| Municipal Bonds | | |
| Michigan — 2.8% | | |
| Lansing Board of Water & Light Utilities System, RB, | | |
| | \$ | |
| Series A, 5.50%, 7/01/41 | 1,805 | \$ 2,138,636 |
| Michigan State Building Authority, Refunding RB, Series I, | | |
| 6.00%, 10/15/38 | 1,250 | 1,445,500 |
| Royal Oak Hospital Finance Authority Michigan, | | |
| Refunding RB, William Beaumont Hospital, 8.25%, | | |
| 9/01/39 | 1,970 | 2,541,123 |
| | | 6,125,259 |
| Nevada — 3.3% | | |
| City of Las Vegas Nevada, GO, Limited Tax, Performing Arts | | |
| Center, 6.00%, 4/01/34 | 2,850 | 3,357,357 |
| County of Clark Nevada, RB, Series B, 5.75%, 7/01/42 | 3,375 | 3,869,539 |
| | | 7,226,896 |
| New Jersey — 3.0% | | |
| New Jersey EDA, Refunding RB, New Jersey American | | |
| Water Co., Inc. Project, Series A, AMT, | | |
| 5.70%, 10/01/39 | 2,250 | 2,517,660 |
| New Jersey Transportation Trust Fund Authority, RB, | | |
| Transportation System: | | |
| Series A, 5.88%, 12/15/38 | 2,670 | 3,108,761 |
| Series B, 5.25%, 6/15/36 | 1,000 | 1,152,210 |
| | | 6,778,631 |
| New York — 5.7% | | |
| Metropolitan Transportation Authority, RB, Series E, | | |
| 5.00%, 11/15/42 | 480 | 539,525 |
| New York Liberty Development Corp., Refunding RB, | | |
| Second Priority, Bank of America Tower at One Bryant | | |
| Park Project, 6.38%, 7/15/49 | 1,200 | 1,368,780 |
| New York State Dormitory Authority, RB, Series B: | | |
| 5.00%, 3/15/37 | 3,600 | 4,168,440 |
| 5.00%, 3/15/42 | 1,525 | 1,754,833 |
| New York State Thruway Authority, RB, Series I, | | |

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| | | |
|---|-------|-------------------------|
| 5.00%, 1/01/37 | 1,030 | 1,166,259 |
| Triborough Bridge & Tunnel Authority, RB, General, Series A-2, 5.38%, 11/15/38 | 3,030 | 3,578,369 12,576,206 |

North Carolina — 1.5%

| | | |
|---|-------|----------------------|
| North Carolina Medical Care Commission, RB, Duke University Health System, Health Care Facilities, Series A, 5.00%, 6/01/32 | 2,010 | 2,316,746 |
| North Carolina Medical Care Commission, Refunding RB, Wakemed, Health Care Facilities, Series A, 5.00%, 10/01/31 | 840 | 953,123 3,269,869 |

Pennsylvania — 3.9%

| | | |
|---|-------|------------------------|
| Pennsylvania Economic Development Financing Authority, RB, American Water Co. Project, 6.20%, 4/01/39 | 1,075 | 1,260,137 |
| Pennsylvania Turnpike Commission, RB, Sub-Series A: 5.63%, 12/01/31 | 2,455 | 2,885,386 |
| 6.00%, 12/01/41 | 3,000 | 3,408,750 |
| Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Children's Hospital of Philadelphia, Series D, 5.00%, 7/01/32 | 1,030 | 1,188,352 8,742,625 |

Puerto Rico — 0.5%

| | | |
|--|-------|-----------|
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.00%, 8/01/42 | 1,000 | 1,130,830 |
|--|-------|-----------|

South Carolina — 0.7%

| | | |
|--|-------|-----------|
| City of North Charleston South Carolina, RB, Public Facilities Corp. Installment Purchase, 5.00%, 6/01/35 | 1,340 | 1,510,702 |
|--|-------|-----------|

Municipal Bonds

| | Par (000) | Value |
|--|----------------------|--------------|
|--|----------------------|--------------|

Texas — 10.5%

| | | |
|---|----------|--------------|
| Central Texas Regional Mobility Authority, Refunding RB, Senior Lien: | | |
| 5.75%, 1/01/31 | \$ 1,000 | \$ 1,158,820 |
| 6.00%, 1/01/41 | 2,600 | 3,008,642 |
| Conroe ISD Texas, GO, School Building, Series A, 5.75%, 2/15/35 | 1,800 | 2,201,922 |
| Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, | | |

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| | | |
|--|-------|------------|
| Series B, 7.25%, 12/01/35 | 800 | 971,576 |
| Katy ISD Texas, GO, Refunding, School Building, Series A, 5.00%, 2/15/42 | 1,115 | 1,300,804 |
| Lamar Texas Consolidated ISD, GO, Refunding, School House, Series A, 5.00%, 2/15/45 | 1,500 | 1,739,145 |
| North Texas Tollway Authority, Refunding RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38 | 1,000 | 1,142,470 |
| Tarrant County Cultural Education Facilities Finance Corp., RB, Scott & White Healthcare, 6.00%, 8/15/45 | 3,795 | 4,483,868 |
| Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, NTE Mobility Partners LLC, North Tarrant Express Managed Lanes Project, 6.88%, 12/31/39 | 1,700 | 2,041,122 |
| Texas State Turnpike Authority, RB, First Tier, Series A (AMBAC), 5.00%, 8/15/42 | 2,125 | 2,125,553 |
| University of Texas System, Refunding RB, Financing System Series B, 5.00%, 8/15/43 | 2,680 | 3,149,241 |
| | | 23,323,163 |

Virginia — 3.1%

| | | |
|--|-------|-----------|
| Virginia Public School Authority, RB, School Financing, 6.50%, 12/01/35 | 1,500 | 1,870,275 |
| Virginia Resources Authority, RB, Infrastructure, 5.00%, 11/01/42 | 1,840 | 2,146,654 |
| Virginia Small Business Financing Authority, RB, Senior Lien, Elizabeth River Crossing OPCO LLC Project, AMT, 6.00%, 1/01/37 | 2,440 | 2,786,749 |
| | | 6,803,678 |

Wisconsin — 2.7%

| | | |
|---|-------|-----------|
| Wisconsin Health & Educational Facilities Authority, RB, Ascension Health, Series D, 5.00%, 11/15/41 | 1,840 | 2,043,302 |
| Wisconsin Health & Educational Facilities Authority, Refunding RB, Froedtert & Community Health, 5.25%, 4/01/39 | 3,470 | 3,849,895 |
| | | 5,893,197 |

Total Municipal Bonds — 85.6% 189,811,882

Municipal Bonds Transferred to Tender Option Bond Trusts (b)

California — 20.1%

| | | |
|---|-------|-----------|
| Bay Area Toll Authority, Refunding RB, San Francisco Bay Area, Series F-1, 5.63%, 4/01/44 | 2,680 | 3,102,577 |
|---|-------|-----------|

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| | | |
|---|-------|------------|
| California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/39 | 4,200 | 4,916,310 |
| Grossmont Union High School District, GO, Election of 2008, Series B, 5.00%, 8/01/40 | 6,000 | 6,694,200 |
| Los Angeles Community College District California, GO: Refunding, Series A, 6.00%, 8/01/33 | 7,697 | 9,372,490 |
| Series C, 5.25%, 8/01/39 | 5,250 | 6,121,316 |
| Los Angeles Unified School District California, GO, Series I, 5.00%, 1/01/34 | 790 | 892,747 |
| San Diego Public Facilities Financing Authority, Refunding RB, Series B, 5.50%, 8/01/39 | 8,412 | 9,852,874 |
| University of California, RB, Series O, 5.75%, 5/15/34 | 3,000 | 3,607,390 |
| | | 44,559,904 |

See Notes to Financial Statements.

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Schedule of Investments (continued)

BlackRock MuniYield Investment Fund (MYF)
(Percentages shown are based on Net Assets)**Municipal Bonds Transferred to
Tender Option Bond Trusts (b)****Par
(000) Value****Colorado — 1.1%**

| | | |
|--|----------|--------------|
| Colorado Health Facilities Authority, Refunding RB, Catholic Healthcare, Series A, 5.50%, 7/01/34 | \$ 2,149 | \$ 2,456,879 |
|--|----------|--------------|

District of Columbia — 3.4%

| | | |
|--|-------|-----------|
| District of Columbia, RB, Series A, 5.50%, 12/01/30 | 2,805 | 3,505,895 |
| District of Columbia Water & Sewer Authority, Refunding RB, Series A, 5.50%, 10/01/39 | 3,507 | 4,100,871 |
| | | 7,606,766 |

Florida — 3.1%

| | | |
|--|-------|-----------|
| County of Miami-Dade Florida, RB, Transit System, Sales Surtax, 5.00%, 7/01/22 (a) | 980 | 1,099,628 |
| Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38 | 3,869 | 4,207,352 |
| Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40 | 1,395 | 1,487,084 |
| | | 6,794,064 |

Illinois — 4.6%

| | | |
|---|-------|------------|
| City of Chicago Illinois, Refunding RB, Water System, Second Lien, 5.00%, 11/01/42 | 1,559 | 1,775,099 |
| Illinois Finance Authority, RB, University of Chicago, Series B, 6.25%, 7/01/38 | 5,300 | 6,537,603 |
| Illinois State Toll Highway Authority, RB, Series B, 5.50%, 1/01/33 | 1,750 | 1,939,186 |
| | | 10,251,888 |

Massachusetts — 1.5%

| | | |
|---|-------|-----------|
| Massachusetts School Building Authority, RB, Sales Tax, Senior Series B, 5.00%, 10/15/41 | 2,950 | 3,408,548 |
|---|-------|-----------|

Nevada — 9.1%

| | | |
|---|-------|-----------|
| Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38 | 5,000 | 6,167,200 |
| Series B, 5.50%, 7/01/29 | 5,668 | 7,024,077 |
| Las Vegas Valley Water District, GO, Refunding, 5.00%, 6/01/28 | 6,070 | 7,036,283 |

| | | |
|--|-------|------------|
| | | 20,227,560 |
| New Hampshire — 1.2% | | |
| New Hampshire Health & Education Facilities Authority, RB, Dartmouth College, 5.25%, 6/01/39 | 2,159 | 2,576,470 |
| New Jersey — 3.2% | | |
| New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29 | 2,251 | 2,485,667 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32 | 4,000 | 4,573,200 |
| | | 7,058,867 |
| New York — 15.1% | | |
| Hudson New York Yards Infrastructure Corp., Senior RB, Series A, 5.75%, 2/15/47 | 1,290 | 1,511,842 |
| New York City Municipal Water Finance Authority, Refunding RB: Second General Resolution, Fiscal Year 2012, Series BB, 5.25%, 6/15/44 | 4,408 | 5,177,707 |
| Series FF, 5.00%, 6/15/45 | 3,859 | 4,425,025 |
| Series FF-2, 5.50%, 6/15/40 | 2,504 | 2,950,070 |
| New York City Transitional Finance Authority, RB: Fiscal 2009, Series S-3, 5.25%, 1/15/39 | 2,499 | 2,824,137 |
| Subseries E-1, 5.00%, 2/01/42 | 1,720 | 1,985,221 |
| New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Construction, 5.25%, 12/15/43 | 4,365 | 5,034,809 |
| New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 | 2,560 | 3,028,864 |
| New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38 | 5,700 | 6,603,906 |
| | | 33,541,581 |

**Municipal Bonds Transferred to
Tender Option Bond Trusts (b)**

Ohio — 1.6%

County of Allen Ohio, Refunding RB, Catholic Healthcare,

| | | |
|--------------------------|-------|--------------|
| | \$ | |
| Series A, 5.25%, 6/01/38 | 3,120 | \$ 3,448,349 |

Puerto Rico — 0.9%

Puerto Rico Sales Tax Financing Corp., Refunding RB,

| | | |
|--------------------------|-------|-----------|
| Series C, 5.25%, 8/01/40 | 1,750 | 1,943,349 |
|--------------------------|-------|-----------|

South Carolina — 1.7%

| | | |
|---|-------|-------------|
| South Carolina State Public Service Authority, Refunding RB, Santee Cooper, Series A, 5.50%, 1/01/38 | 3,240 | 3,859,909 |
| Texas — 8.4% | | |
| City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31 | 3,989 | 4,651,273 |
| Harris County Cultural Education Facilities Finance Corp., RB, Hospital, Texas Children’s Hospital Project, 5.50%, 10/01/39 | 5,400 | 6,403,050 |
| North Texas Tollway Authority, RB, Special Projects, System, Series A, 5.50%, 9/01/41 | 3,480 | 4,133,649 |
| Waco Educational Finance Corp., Refunding RB, Baylor University, 5.00%, 3/01/43 | 3,000 | 3,439,920 |
| | | 18,627,892 |
| Utah — 1.0% | | |
| City of Riverton Utah Hospital, RB, IHC Health Services Inc., 5.00%, 8/15/41 | 1,995 | 2,179,704 |
| Virginia — 0.9% | | |
| Fairfax County IDA Virginia, Refunding RB, Health Care, Inova Health System, Series A, 5.50%, 5/15/35 | 1,749 | 1,998,178 |
| Washington — 1.4% | | |
| University of Washington, Refunding RB, Series A, 5.00%, 7/01/41 | 2,744 | 3,199,371 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 78.3% | | 173,739,279 |
| Total Long-Term Investments (Cost — \$323,537,953) — 163.9% | | 363,551,161 |

| Short-Term Securities | Shares | |
|--|---------------|----------------|
| FFI Institutional Tax-Exempt Fund, 0.01% (c)(d) | 176,582 | 176,582 |
| Total Short-Term Securities (Cost — \$176,582) — 0.1% | | 176,582 |
| Total Investments (Cost — \$323,714,535) — 164.0% | | 363,727,743 |
| Other Assets Less Liabilities — 1.8% | | 3,866,504 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (39.0)% | | (86,416,678) |
| VRDP Shares, at Liquidation Value — (26.8)% | | (59,400,000) |
| Net Assets Applicable to Common Shares — 100.0% | | \$ 221,777,569 |

When-issued
security.
Unsettled
when-issued
transactions
were as

(a) follows:

| Counterparty | Value | Unrealized Appreciation/ Depreciation |
|-----------------------|--------------|---|
| Barclays Bank Plc | \$ 999,204 | \$ (2,211) |
| Lebenthal & Co., Inc. | \$ 156,456 | \$ (342) |
| JPMorgan Chase & Co. | \$ 1,099,628 | \$ 10,241 |

Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest (b)certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
See Notes to Financial Statements.

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Schedule of Investments (concluded)

BlackRock MuniYield Investment Fund (MYF)

(c) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at July 31, 2011 | Net Activity | Shares Held at July 31, 2012 | Income |
|--------------------------------------|------------------------------------|-----------------|------------------------------------|--------|
| FFI Institutional Tax-Exempt Fund | 2,085,565 | (1,908,983) | 176,582 | \$831 |

(d) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any 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 Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

Level 1 — unadjusted price quotations in active markets/exchanges for identical assets and liabilities

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)

Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment 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 other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of July 31, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|--------------------------|-----------|---------------|---------|---------------|
| Assets: | | | | |
| Investments: | | | | |
| Long-Term | | | | |
| Investments ¹ | — | \$363,551,161 | — | \$363,551,161 |
| Short-Term | | | | |
| Securities | \$176,582 | — | — | 176,582 |
| Total | \$176,582 | \$363,551,161 | — | \$363,727,743 |

¹ See above Schedule of Investments for values in each state or political subdivision.

Certain of the Fund's assets and liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of July 31, 2012, such assets and liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|----------------|-----------------|----------------|-----------------|
| Assets: | | | | |
| Cash | \$641,630 | — | — | \$ 641,630 |
| Liabilities: | | | | |
| TOB trust | | | | |
| certificates | — | \$ (86,373,943) | — | (86,373,943) |
| VRDP Shares | — | (59,400,000) | — | (59,400,000) |
| Total | \$641,630 | \$(145,773,943) | — | \$(145,132,313) |

There were no transfers between levels during the year ended July 31, 2012.

See Notes to Financial Statements.

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**BlackRock MuniYield New Jersey Fund, Inc.
(MYJ)
(Percentages shown are based on Net Assets)**

Schedule of Investments July 31, 2012

| Municipal Bonds | Par (000) | Value |
|---|----------------------|-------------------------|
| New Jersey — 124.0% | | |
| Corporate — 4.6% | | |
| New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, AMT: | | |
| Series A, 5.70%, 10/01/39 | \$ 2,925 | \$ 3,272,958 |
| Series B, 5.60%, 11/01/34 | 2,430 | 2,766,555 |
| Salem County Pollution Control Financing Authority, Refunding RB, Atlantic City Electric, Series A , 4.88%, 6/01/29 | 4,550 | 5,034,848 11,074,361 |
| County/City/Special District/School District — 15.6% | | |
| City of Margate City New Jersey, GO, Refunding, Improvement, New Jersey: | | |
| 5.00%, 1/15/26 | 1,200 | 1,403,340 |
| 5.00%, 1/15/27 | 845 | 980,639 |
| City of Perth Amboy New Jersey, GO, CAB, Refunding (AGM) (a): | | |
| 5.00%, 7/01/34 | 1,925 | 2,079,616 |
| 5.00%, 7/01/33 | 1,575 | 1,711,946 |
| County of Hudson New Jersey, COP, Refunding (NPFGC), 6.25%, 12/01/16 | | |
| | 1,500 | 1,745,070 |
| Essex County Improvement Authority, Refunding RB, Project Consolidation (NPFGC): | | |
| 5.50%, 10/01/28 | 2,700 | 3,551,391 |
| 5.50%, 10/01/29 | 5,085 | 6,723,997 |
| Garden State Preservation Trust, RB, Capital Appreciation, Series B (AGM), 3.40%, 11/01/28 (b) | | |
| | 4,540 | 2,624,983 |
| Gloucester County Improvement Authority, RB, County Guaranteed Loan—County Capital Program, 5.00%, 4/01/38 | | |
| | 1,000 | 1,098,000 |
| Hudson County Improvement Authority, RB, Harrison Parking Facility Project, Series C (AGC), | | |

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| | | |
|---|-------|------------|
| 5.38%, 1/01/44 | 4,800 | 5,383,392 |
| Middlesex County Improvement Authority, RB: | | |
| Golf Course Projects, 5.25%, 6/01/22 | 1,455 | 1,572,724 |
| Senior Heldrich Center Hotel, Series A, 5.00%, 1/01/20 | 655 | 415,584 |
| Monmouth County Improvement Authority, Refunding RB, Government Loan (AMBAC): | | |
| 5.00%, 12/01/15 | 5 | 5,012 |
| 5.00%, 12/01/16 | 5 | 5,012 |
| Newark Housing Authority, RB, South Ward Police Facility (AGC), 6.75%, 12/01/38 | 1,750 | 2,207,293 |
| Newark Housing Authority, Refunding RB, Redevelopment Project (NPFGC), 4.38%, 1/01/37 | 2,875 | 2,704,225 |
| Union County Improvement Authority, RB, Guaranteed Lease-Family Court Building Project, 5.00%, 5/01/42 | 2,835 | 3,233,885 |
| | | 37,446,109 |

Education — 17.7%

| | | |
|---|-------|-----------|
| New Jersey EDA, RB, School Facilities Construction, Series CC-2: | | |
| 5.00%, 12/15/31 | 1,700 | 1,922,768 |
| 5.00%, 12/15/32 | 1,300 | 1,462,617 |
| New Jersey EDA, Refunding RB, Series GG, 5.25%, 9/01/27 | 3,000 | 3,517,290 |
| New Jersey Educational Facilities Authority, RB: | | |
| Montclair State University, Series J, 5.25%, 7/01/38 | 1,140 | 1,256,633 |
| Ramapo College, Series B, 5.00%, 7/01/37 | 155 | 174,612 |
| Ramapo College, Series B, 5.00%, 7/01/42 | 340 | 381,504 |
| New Jersey Educational Facilities Authority, Refunding RB: | | |
| College of New Jersey, Series D, (AGM), 5.00%, 7/01/35 | 6,115 | 6,703,874 |
| Georgian Court University, Series D, 5.25%, 7/01/37 | 1,000 | 1,060,750 |
| Kean University, Series A, 5.50%, 9/01/36 | 4,500 | 5,087,295 |
| New Jersey Institute of Technology, Series H, 5.00%, 7/01/31 | 1,250 | 1,398,800 |

| | | |
|------------------------|----------------------|--------------|
| Municipal Bonds | Par (000) | Value |
|------------------------|----------------------|--------------|

New Jersey (continued)

Education (concluded)

New Jersey Educational Facilities Authority,
Refunding RB: (concluded)

| | \$ | |
|---|-------|--------------|
| Rider University Series A, 5.00%, 7/01/32 | 1,000 | \$ 1,099,540 |
| Rowan University, Series B (AGC), 5.00%, 7/01/24 | 1,800 | 2,030,724 |
| University of Medicine & Dentistry, Series B, 7.13%, 12/01/23 | 1,300 | 1,629,212 |
| University of Medicine & Dentistry, Series B, 7.50%, 12/01/32 | 1,625 | 2,035,995 |
| New Jersey Higher Education Student Assistance Authority, Refunding RB: | | |
| Series 1A, 5.00%, 12/01/25 | 1,035 | 1,139,732 |
| Series 1A, 5.00%, 12/01/26 | 645 | 708,075 |
| Series 1A, 5.25%, 12/01/32 | 900 | 995,526 |
| Series A, AMT, 5.75%, 12/01/29 | 4,045 | 4,622,100 |
| New Jersey Institute of Technology, GO, Series A, 5.00%, 7/01/42 | 4,320 | 4,909,291 |
| Rutgers-State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39 | 500 | 556,795 |
| | | 42,693,133 |

Health — 13.8%

New Jersey EDA, RB, Masonic Charity Foundation of
New Jersey:

| | | |
|----------------|-------|-----------|
| 5.25%, 6/01/24 | 1,425 | 1,470,771 |
| 5.25%, 6/01/32 | 685 | 705,392 |

New Jersey EDA, Refunding RB, First Mortgage,
Winchester, Series A:

| | | |
|-----------------|-------|-----------|
| 5.75%, 11/01/24 | 2,500 | 2,574,450 |
| 5.80%, 11/01/31 | 1,000 | 1,026,020 |

New Jersey Health Care Facilities Financing Authority, RB:

Childrens Specialized Hospital, Series A,

| | | |
|----------------|-------|-----------|
| 5.50%, 7/01/36 | 1,540 | 1,579,901 |
|----------------|-------|-----------|

| | | |
|--|-------|-----------|
| Hunterdon Medical Center, Series A, 5.13%, 7/01/35 | 1,950 | 2,023,008 |
|--|-------|-----------|

| | | |
|---|-----|-----------|
| Meridian Health, Series I (AGC), 5.00%, 7/01/38 | 970 | 1,038,560 |
|---|-----|-----------|

Pascack Valley Hospital Association,

| | | |
|-----------------------|-------|----|
| 6.63%, 7/01/36 (c)(d) | 1,845 | 18 |
|-----------------------|-------|----|

| | | |
|-------------------------------------|-------|-----------|
| Virtua Health (AGC), 5.50%, 7/01/38 | 2,500 | 2,782,000 |
|-------------------------------------|-------|-----------|

New Jersey Health Care Facilities Financing Authority,
Refunding RB:

| | | |
|------------------------------------|-------|-----------|
| AHS Hospital Corp., 6.00%, 7/01/41 | 2,435 | 2,930,839 |
|------------------------------------|-------|-----------|

| | | |
|---|-------|-----------|
| Barnabas Health, Series A, 5.63%, 7/01/32 | 1,090 | 1,196,831 |
|---|-------|-----------|

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| | | |
|--|-------|------------|
| Barnabas Health, Series A, 5.63%, 7/01/37 | 3,030 | 3,296,549 |
| Kennedy Health System, 5.00%, 7/01/31 | 750 | 821,168 |
| Kennedy Health System, 5.00%, 7/01/37 | 415 | 449,744 |
| Meridian Health System, 5.00%, 7/01/23 | 500 | 580,790 |
| Meridian Health System, 5.00%, 7/01/25 | 1,000 | 1,135,060 |
| Meridian Health System, 5.00%, 7/01/26 | 830 | 932,796 |
| Meridian Health System, 5.00%, 7/01/27 | 1,000 | 1,128,760 |
| Robert Wood Johnson, 5.00%, 7/01/31 | 1,000 | 1,099,950 |
| South Jersey Hospital, 5.00%, 7/01/36 | 385 | 399,522 |
| South Jersey Hospital, 5.00%, 7/01/46 | 1,650 | 1,705,523 |
| St. Barnabas Health Care System, Series A, 5.00%, 7/01/29 | 4,155 | 4,272,420 |
| | | 33,150,072 |

Housing — 9.2%

New Jersey State Housing & Mortgage Finance Agency, RB:

| | | |
|---|-------|-----------|
| M/F Housing, Series A, 4.55%, 11/01/43 | 2,880 | 2,947,565 |
| S/F Housing, Series CC, 5.00%, 10/01/34 | 3,385 | 3,646,864 |
| S/F Housing, Series U, AMT, 4.95%, 10/01/32 | 695 | 727,095 |
| S/F Housing, Series U, AMT, 5.00%, 10/01/37 | 995 | 1,032,631 |
| S/F Housing, Series X, AMT, 4.85%, 4/01/16 | 2,700 | 2,785,131 |
| S/F Housing, Series X, AMT, 5.05%, 4/01/18 | 550 | 604,813 |
| Series A, 4.75%, 11/01/29 | 2,305 | 2,494,102 |
| Series A, 6.50%, 10/01/38 | 1,250 | 1,334,950 |
| Series A, AMT (FGIC), 4.90%, 11/01/35 | 1,365 | 1,376,288 |

See Notes to Financial Statements.

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**BlackRock MuniYield New Jersey Fund, Inc.
(MYJ)
(Percentages shown are based on Net Assets)**

Schedule of Investments (continued)

| Municipal Bonds | Par (000) | Value |
|---|----------------------|----------------------------|
| New Jersey (continued) | | |
| Housing (concluded) | | |
| New Jersey State Housing & Mortgage Finance Agency, Refunding RB, S/F Housing, Series T, AMT, 4.65%, 10/01/32 | \$ 4,945 | \$ 5,114,811 22,064,250 |
| State — 42.7% | | |
| Garden State Preservation Trust, RB (AGM): | | |
| CAB, Series B, 2.82%, 11/01/23 (b) | 1,860 | 1,357,670 |
| Election of 2005, Series A, 5.80%, 11/01/22 (e) | 4,300 | 5,029,624 |
| New Jersey EDA, RB: | | |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24 | 1,415 | 1,725,621 |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25 | 2,000 | 2,452,380 |
| Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33 | 12,500 | 13,381,000 |
| School Facilities Construction, Series L (AGM), 5.00%, 3/01/30 | 5,800 | 6,202,520 |
| School Facilities Construction, Series P, 5.00%, 9/01/15 | 3,000 | 3,378,750 |
| School Facilities Construction, Series P, 5.25%, 9/01/16 | 2,710 | 3,063,872 |
| School Facilities Construction, Series Z (AGC), 5.50%, 12/15/34 | 3,665 | 4,204,158 |
| Series Y, 5.00%, 9/01/33 | 880 | 968,440 |
| New Jersey EDA, Refunding RB: | | |
| 5.00%, 6/15/26 | 440 | 488,928 |
| 5.00%, 6/15/28 | 720 | 793,030 |
| 5.00%, 6/15/29 | 1,760 | 1,929,400 |
| School Facilities Construction, Series AA, 5.50%, 12/15/29 | 3,000 | 3,517,410 |

| | | |
|--|-------|-------------|
| School Facilities Construction, Series AA, 5.25%, 12/15/33 | 1,000 | 1,130,140 |
| School Facilities, Series GG, 5.25%, 9/01/26 | 7,000 | 8,265,180 |
| New Jersey Health Care Facilities Financing Authority, RB, Hospital Asset Transformation Program, Series A , 5.25%, 10/01/38 | 2,300 | 2,505,436 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System: CAB, Series A (AGC), 5.63%, 12/15/28 | 1,250 | 1,478,937 |
| Series A, 6.00%, 6/15/35 | 6,030 | 7,435,050 |
| Series A, 5.88%, 12/15/38 | 3,650 | 4,249,804 |
| Series A, 6.00%, 12/15/38 | 1,950 | 2,289,417 |
| Series A, 5.50%, 6/15/41 | 5,000 | 5,844,100 |
| Series A (AGC), 5.50%, 12/15/38 | 1,000 | 1,137,770 |
| Series B, 5.25%, 6/15/36 | 5,000 | 5,761,050 |
| Series B, 5.00%, 6/15/42 | 7,340 | 8,220,727 |
| State of New Jersey, COP, Equipment Lease Purchase, Series A: 5.25%, 6/15/27 | 4,200 | 4,769,100 |
| 5.25%, 6/15/28 | 1,100 | 1,242,428 |
| | | 102,821,942 |

Transportation — 15.0%

| | | |
|---|-------|-----------|
| Delaware River Port Authority, RB, Series D, 5.00%, 1/01/40 | 1,535 | 1,687,379 |
| New Jersey State Turnpike Authority, RB: Growth & Income Securities, Series B (AMBAC), 0.00%, 1/01/15 (a) | 4,870 | 4,545,561 |
| Series A, 5.00%, 1/01/35 | 1,160 | 1,336,726 |
| Series E, 5.25%, 1/01/40 | 2,525 | 2,840,196 |
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, CAB, Series C (AMBAC), 4.77%, 12/15/35 (b) | 4,140 | 1,375,018 |

| | | |
|------------------------|----------------------|--------------|
| Municipal Bonds | Par (000) | Value |
|------------------------|----------------------|--------------|

New Jersey (concluded)

Transportation (concluded)

Port Authority of New York & New Jersey, RB:

| | | |
|--|--------|------------|
| Consolidated, 169th Series, AMT, 5.00%, 10/15/41 | \$ 250 | \$ 275,597 |
|--|--------|------------|

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| | | |
|---|-------|-------------|
| Consolidated, 93rd Series, 6.13%, 6/01/94 | 5,000 | 6,262,450 |
| JFK International Air Terminal, 6.00%, 12/01/42 | 2,700 | 3,057,831 |
| Port Authority of New York & New Jersey, Refunding RB, AMT: | | |
| Consolidated, 152nd Series, 5.75%, 11/01/30 | 3,300 | 3,941,190 |
| Consolidated, 152nd Series, 5.25%, 11/01/35 | 240 | 265,375 |
| Consolidated, 172nd Series, 5.00%, 10/01/34 | 1,500 | 1,694,940 |
| South Jersey Port Corp., Refunding RB: | | |
| 4.75%, 1/01/18 | 4,280 | 4,329,734 |
| 4.85%, 1/01/19 | 2,485 | 2,513,130 |
| 5.00%, 1/01/20 | 2,000 | 2,021,620 |
| | | 36,146,747 |
| Utilities — 5.4% | | |
| New Jersey EDA, Refunding RB, United Water of New Jersey Inc., Series B (AMBAC), 4.50%, 11/01/25 | 4,500 | 4,901,355 |
| Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC), 4.40%, 9/01/31 (b) | 6,000 | 2,614,320 |
| Union County Utilities Authority, Refunding RB: County Deficiency Agreement, Series A, 5.00%, 6/15/41 | 4,115 | 4,717,272 |
| Covanta Union, Series A, AMT, 5.25%, 12/01/31 | 670 | 744,591 |
| | | 12,977,538 |
| Total Municipal Bonds in New Jersey | | 298,374,152 |
| Puerto Rico — 6.5% | | |
| State — 6.2% | | |
| Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A: | | |
| 5.75%, 8/01/37 | 6,000 | 6,713,220 |
| 6.00%, 8/01/42 | 4,000 | 4,523,320 |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub-Series C, 6.00%, 8/01/39 | 3,320 | 3,807,476 |
| | | 15,044,016 |
| Transportation — 0.3% | | |
| Puerto Rico Highway & Transportation Authority, Refunding RB, Series AA, 4.95%, 7/01/26 | 590 | 642,303 |
| Total Municipal Bonds in Puerto Rico | | 15,686,319 |
| Total Municipal Bonds — 130.5% | | 314,060,471 |

**Municipal Bonds Transferred to
Tender Option Bond Trusts (f)**

New Jersey — 20.5%

Education — 2.7%

| | | |
|--|-------|-----------|
| New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34 | 3,600 | 4,242,600 |
| Rutgers State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39 | 2,009 | 2,237,190 |
| | | 6,479,790 |

State — 3.1%

| | | |
|---|-------|-----------|
| Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28 | 5,460 | 7,347,031 |
|---|-------|-----------|

Transportation — 8.8%

| | | |
|--|-------|-----------|
| New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A (AGM), 5.00%, 12/15/32 | 4,100 | 4,687,530 |
|--|-------|-----------|

See Notes to Financial Statements.

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**BlackRock MuniYield New Jersey Fund, Inc.
(MYJ)**
(Percentages shown are based on Net Assets)

Schedule of Investments (concluded)

| Municipal Bonds Transferred to Tender Option Bond Trusts (f) | Par (000) | Value |
|--|----------------------|---------------------|
| New Jersey (concluded) | | |
| Transportation (concluded) | | |
| Port Authority of New York & New Jersey, RB, Consolidated, 169th Series, AMT, 5.00%, 10/15/41 | \$11,250 | \$ 12,401,887 |
| Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35 | 3,764 | 4,161,624 |
| | | 21,251,041 |
| Utilities — 5.9% | | |
| Union County Utilities Authority, Refunding RB, Covanta Union, Series A, AMT, 5.25%, 12/01/31 | 12,820 | 14,247,251 |
| Total Municipal Bonds in New Jersey | | 49,325,113 |
| Puerto Rico — 1.0% | | |
| State — 1.0% | | |
| Puerto Rico Sales Tax Financing Corp., Refunding RB, Series C, 5.25%, 8/01/40 | 2,220 | 2,465,277 |
| Total Municipal Bonds Transferred to Tender Option Bond Trusts — 21.5% | | 51,790,390 |
| Total Long-Term Investments (Cost — \$333,677,128) — 152.0% | | 365,850,861 |
| Short-Term Securities | | |
| BIF New Jersey Municipal Money Fund, 0.01% (g)(h) | 1,495,608 | 1,495,608 |
| Total Short-Term Securities (Cost — \$1,495,608) — 0.6% | | 1,495,608 |
| Total Investments (Cost — \$335,172,736) — 152.6% | | 367,346,469 |
| Other Assets Less Liabilities — 1.0% | | 2,437,215 |
| Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable — (11.2)% | | (26,824,377) |

| | |
|--|----------------|
| VRDP Shares, at Liquidation Value — (42.4)% | (102,200,000) |
| Net Assets Applicable to Common Shares — 100.0% | \$ 240,759,307 |

- (a) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown is as of report date.
- (b) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (c) Issuer filed for bankruptcy and/or is in default of principal and/or interest payments.
- (d) Non-income producing security.
- (e) US 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.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) Investments in companies considered to be an affiliate of the Fund during the year, for purposes of Section 2(a)(3) of the 1940 Act, were as follows:

| Affiliate | Shares Held at July 31, 2011 | Net Activity | Shares Held at July 31, 2012 | Income |
|--|---|-------------------------|---|---------------|
| BIF New Jersey Municipal Money Fund | 13,176,800 | (11,681,192) | 1,495,608 | \$532 |

- (h) Represents the current yield as of report date.

For Fund compliance purposes, the Fund's sector classifications refer to any 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 Fund management. These definitions may not apply for purposes of this report, which may combine such sector sub-classifications for reporting ease.

Fair Value Measurements — Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a disclosure hierarchy consisting of three broad levels for financial statement purposes as follows:

- Level 1 — unadjusted price quotations in active markets/exchanges for identical assets and liabilities
 - 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)
- Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy. In accordance with the Fund's policy, transfers between different levels of the fair value disclosure hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments is based on the pricing transparency of the investment 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 other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the Fund's investments categorized in the disclosure hierarchy as of July 31, 2012:

| | Level 1 | Level 2 | Level 3 | Total |
|----------------|----------------|----------------|----------------|--------------|
| Assets: | | | | |

Investments:

Long-Term

| | | | | |
|--------------------------|---|---------------|---|---------------|
| Investments ¹ | — | \$365,850,861 | — | \$365,850,861 |
|--------------------------|---|---------------|---|---------------|

Short-Term

| | | | | |
|------------|-------------|---|---|-----------|
| Securities | \$1,495,608 | — | — | 1,495,608 |
|------------|-------------|---|---|-----------|

| | | | | |
|--------------|-------------|---------------|---|---------------|
| Total | \$1,495,608 | \$365,850,861 | — | \$367,346,469 |
|--------------|-------------|---------------|---|---------------|

¹See above Schedule of Investments for values in each sector or political subdivision.

Certain of the Fund's liabilities are held at carrying amount, which approximates fair value for financial statement purposes. As of July 31, 2012, such liabilities are categorized within the disclosure hierarchy as follows:

| | Level 1 | Level 2 | Level 3 | Total |
|---------------------|----------------|------------------|----------------|------------------|
| Liabilities: | | | | |
| TOB trust | | | | |
| certificates | — | \$ (26,812,696) | — | \$ (26,812,696) |
| VRDP Shares | — | (102,200,000) | — | (102,200,000) |
| Total | — | \$ (129,012,696) | — | \$ (129,012,696) |

There were no transfers between levels during the year ended July 31, 2012.

See Notes to Financial Statements.

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Statements of Assets and Liabilities

| | BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE) | BlackRock MuniYield Arizona Fund, Inc. (MZA) | BlackRock MuniYield California Fund, Inc. (MYC) | BlackRock MuniYield Investment Fund (MYF) | BlackRock MuniYield New Jersey Fund, Inc. (MYJ) |
|--|---|---|--|--|--|
| July 31, 2012 | | | | | |
| Assets | | | | | |
| Investments at value — unaffiliated ¹ | \$ 102,989,929 | \$ 107,696,606 | \$ 580,646,775 | \$ 363,551,161 | \$ 365,850,861 |
| Investments at value — affiliated ² | 480,082 | 1,351,621 | 3,043,312 | 176,582 | 1,495,608 |
| Cash | — | — | — | 641,630 | — |
| Interest receivable | 942,605 | 757,311 | 7,937,554 | 4,344,429 | 3,425,579 |
| Investments sold receivable | — | 99,962 | 7,961,325 | 6,245,957 | — |
| Deferred offering costs | 179,904 | 225,460 | 245,484 | 207,549 | 257,983 |
| TOB trust receivable | — | — | — | 490,000 | — |
| Prepaid expenses | 1,434 | 1,609 | 8,000 | 4,939 | 5,173 |
| Total assets | 104,593,954 | 110,132,569 | 599,842,450 | 375,662,247 | 371,035,204 |
| Accrued Liabilities | | | | | |
| Investments purchased payable | 1,264,060 | — | 13,688,224 | 6,783,788 | — |
| Income dividends payable — Common Shares | 262,902 | 317,479 | 1,682,325 | 1,074,668 | 1,052,925 |
| Investment advisory fees payable | 47,491 | 46,168 | 247,965 | 153,379 | 154,708 |
| Interest expense and fees payable | 2,580 | 448 | 62,839 | 42,735 | 11,681 |
| Officer's and Directors' fees payable | 1,455 | 1,474 | 7,201 | 4,363 | 5,099 |
| Other accrued expenses payable | 48,307 | 66,040 | 57,302 | 51,802 | 38,788 |
| Total accrued liabilities | 1,626,795 | 431,609 | 15,745,856 | 8,110,735 | 1,263,201 |
| Other Liabilities | | | | | |
| TOB trust certificates | 6,208,399 | 3,330,000 | 116,855,901 | 86,373,943 | 26,812,696 |
| VRDP Shares, at liquidation value of \$100,000 per share ^{3,4,5} | 29,600,000 | 37,300,000 | 105,900,000 | 59,400,000 | 102,200,000 |
| Total other liabilities | 35,808,399 | 40,630,000 | 222,755,901 | 145,773,943 | 129,012,696 |
| Total liabilities | 37,435,194 | 41,061,609 | 238,501,757 | 153,884,678 | 130,275,897 |
| Net Assets Applicable to Common Shareholders | \$ 67,158,760 | \$ 69,070,960 | \$ 361,340,693 | \$ 221,777,569 | \$ 240,759,307 |
| Net Assets Applicable to Common Shareholders Consist of | | | | | |
| Paid-in capital ^{6,7} | \$ 59,587,002 | \$ 60,571,325 | \$ 301,361,083 | \$ 189,406,877 | \$ 204,647,230 |
| Undistributed net investment income | 879,509 | 891,309 | 4,900,807 | 3,803,497 | 4,512,450 |
| Accumulated net realized loss | (2,010,408) | (1,117,127) | (2,181,004) | (11,446,013) | (574,106) |
| Net unrealized appreciation/depreciation | 8,702,657 | 8,725,453 | 57,259,807 | 40,013,208 | 32,173,733 |
| Net Assets Applicable to Common Shareholders | \$ 67,158,760 | \$ 69,070,960 | \$ 361,340,693 | \$ 221,777,569 | \$ 240,759,307 |
| Net asset value per Common Share | \$ 15.97 | \$ 15.12 | \$ 16.97 | \$ 16.30 | \$ 16.92 |
| ¹ Investments at cost — unaffiliated | \$ 94,287,272 | \$ 98,971,153 | \$ 523,386,968 | \$ 323,537,953 | \$ 333,677,128 |
| ² Investments at cost — affiliated | \$ 480,082 | \$ 1,351,621 | \$ 3,043,312 | \$ 176,582 | \$ 1,495,608 |
| | 296 | 373 | 1,059 | — | 1,022 |

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| | | | | | |
|---|-------------|-------------|-------------|------------|-------------|
| ³ VRDP Shares outstanding, par value \$0.10 per share | | | | | |
| ⁴ VRDP Shares outstanding, par value \$0.05 per share | — | — | — | 594 | — |
| ⁵ Preferred Shares authorized | 1,536 | 1,985 | 8,059 | 1 million | 5,782 |
| ⁶ Common Shares outstanding, \$0.10 par value | 4,206,439 | 4,568,049 | 21,295,255 | 13,603,390 | 14,228,711 |
| ⁷ Common Shares authorized | 200 million | 200 million | 200 million | unlimited | 200 million |
| See Notes to Financial Statements. | | | | | |

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Statements of Operations

| Year Ended July 31, 2012 | BlackRock | | | | |
|--|--|--|---|---|---|
| | BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE) | BlackRock MuniYield Arizona Fund, Inc. (MZA) | BlackRock MuniYield California Fund, Inc. (MYC) | BlackRock MuniYield Investment Fund (MYF) | BlackRock MuniYield New Jersey Fund, Inc. (MYJ) |
| Investment Income | | | | | |
| Interest | \$4,271,740 | \$4,968,311 | \$25,498,741 | \$16,005,247 | \$15,925,847 |
| Income — affiliated | 4 | — | — | 831 | 532 |
| Total income | 4,271,744 | 4,968,311 | 25,498,741 | 16,006,078 | 15,926,379 |
| Expenses | | | | | |
| Investment advisory | 533,145 | 530,356 | 2,793,656 | 1,679,732 | 1,741,268 |
| Liquidity fees | 215,054 | 256,972 | 729,520 | 409,193 | 704,032 |
| Professional | 59,907 | 62,989 | 122,610 | 83,961 | 95,991 |
| Remarketing fees on Preferred Shares | 34,178 | 33,570 | 95,310 | 53,460 | 91,980 |
| Accounting services | 29,744 | 30,518 | 93,320 | 65,271 | 68,388 |
| Transfer agent | 25,999 | 20,117 | 37,225 | 35,342 | 36,540 |
| Registration | 13,099 | 1,963 | 9,185 | 9,140 | 9,188 |
| Custodian | 10,381 | 7,778 | 23,193 | 14,236 | 17,269 |
| Officer and Directors | 9,151 | 10,213 | 51,986 | 31,532 | 34,705 |
| Printing | 8,954 | 8,450 | 3,515 | 9,472 | 10,034 |
| Miscellaneous | 71,296 | 72,246 | 121,628 | 93,431 | 114,631 |
| Total expenses excluding interest expense, fees and amortization of offering costs | 1,010,908 | 1,035,172 | 4,081,148 | 2,484,770 | 2,924,026 |
| Interest expense, fees and amortization of offering costs ¹ | 152,027 | 249,689 | 1,424,781 | 905,405 | 722,937 |
| Total expenses | 1,162,935 | 1,284,861 | 5,505,929 | 3,390,175 | 3,646,963 |
| Less fees waived by advisor | (3,187) | — | (12,503) | (2,746) | (17,388) |
| Total expenses after fees waived | 1,159,748 | 1,284,861 | 5,493,426 | 3,387,429 | 3,629,575 |
| Net investment income | 3,111,996 | 3,683,450 | 20,005,315 | 12,618,649 | 12,296,804 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from: | | | | | |
| Investments | 433,743 | 1,110,108 | 7,618,828 | 4,795,574 | 2,125,131 |
| Financial futures contracts | (307,086) | (331,756) | (1,206,118) | (1,428,904) | (1,315,828) |
| | 126,657 | 778,352 | 6,412,710 | 3,366,670 | 809,303 |
| Net change in unrealized appreciation/depreciation on: | | | | | |
| Investments | 6,018,338 | 7,175,639 | 48,830,780 | 31,738,215 | 28,896,246 |
| Financial futures contracts | 61,601 | 92,401 | — | 277,202 | 197,122 |
| | 6,079,939 | 7,268,040 | 48,830,780 | 32,015,417 | 29,093,368 |
| Total realized and unrealized gain | 6,206,596 | 8,046,392 | 55,243,490 | 35,382,087 | 29,902,671 |

Dividends to AMPS Shareholders From

| | | | | | | |
|-----------------------|---------|---|---|---|---|---|
| Net investment income | (68,450 |) | — | — | — | — |
|-----------------------|---------|---|---|---|---|---|

**Net Increase in Net Assets Applicable
to Common Shareholders Resulting
from Operations**

| | | | | |
|-------------|--------------|--------------|--------------|--------------|
| \$9,250,142 | \$11,729,842 | \$75,248,805 | \$48,000,736 | \$42,199,475 |
|-------------|--------------|--------------|--------------|--------------|

¹ Related to TOBs and/or VRDP Shares.
See Notes to Financial Statements.

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Statements of Changes in Net Assets **BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE)**

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | Year Ended July 31, | |
|--|----------------------------|--------------|
| | 2012 | 2011 |
| Operations | | |
| Net investment income | \$3,111,996 | \$3,676,228 |
| Net realized gain (loss) | 126,657 | (73,064) |
| Net change in unrealized appreciation/depreciation | 6,079,939 | (101,981) |
| Dividends to AMPS Shareholders from net investment income | (68,450) | (425,018) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 9,250,142 | 3,076,165 |
| Dividends to Common Shareholders From | | |
| Net investment income | (3,110,662) | (3,066,494) |
| Net Assets Applicable to Common Shareholders | | |
| Total increase in net assets applicable to Common Shareholders | 6,139,480 | 9,671 |
| Beginning of year | 61,019,280 | 61,009,609 |
| End of year | \$67,158,760 | \$61,019,280 |
| Undistributed net investment income | \$879,509 | \$1,091,301 |

BlackRock MuniYield Arizona Fund, Inc. (MZA)

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | Year Ended July 31, | |
|--|----------------------------|--------------|
| | 2012 | 2011 |
| Operations | | |
| Net investment income | \$3,683,450 | \$3,991,047 |
| Net realized gain (loss) | 778,352 | (545,784) |
| Net change in unrealized appreciation/depreciation | 7,268,040 | (1,005,616) |
| Dividends to AMPS Shareholders from net investment income | — | (220,331) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 11,729,842 | 2,219,316 |
| Dividends to Common Shareholders From | | |
| Net investment income | (3,806,859) | (3,805,878) |
| Capital Share Transactions | | |
| Reinvestment of common dividends | 61,778 | 54,635 |
| Net Assets Applicable to Common Shareholders | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 7,984,761 | (1,531,927) |
| Beginning of year | 61,086,199 | 62,618,126 |
| End of year | \$69,070,960 | \$61,086,199 |
| Undistributed net investment income | \$891,309 | \$891,154 |
| See Notes to Financial Statements. | | |

Statements of Changes in Net Assets

**BlackRock MuniYield California Fund, Inc.
(MYC)**

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | Year Ended July 31, | |
|--|----------------------------|---------------|
| | 2012 | 2011 |
| Operations | | |
| Net investment income | \$20,005,315 | \$20,314,878 |
| Net realized gain (loss) | 6,412,710 | (2,026,046) |
| Net change in unrealized appreciation/depreciation | 48,830,780 | (5,929,821) |
| Dividends to AMPS Shareholders from net investment income | — | (558,419) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 75,248,805 | 11,800,592 |
| Dividends to Common Shareholders From | | |
| Net investment income | (20,187,902) | (19,847,178) |
| Net Assets Applicable to Common Shareholders | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 55,060,903 | (8,046,586) |
| Beginning of year | 306,279,790 | 314,326,376 |
| End of year | \$361,340,693 | \$306,279,790 |
| Undistributed net investment income | \$4,900,807 | \$4,864,285 |

BlackRock MuniYield Investment Fund (MYF)

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | Year Ended July 31, | |
|--|----------------------------|---------------|
| | 2012 | 2011 |
| Operations | | |
| Net investment income | \$12,618,649 | \$13,231,449 |
| Net realized gain (loss) | 3,366,670 | (707,747) |
| Net change in unrealized appreciation/depreciation | 32,015,417 | (7,175,483) |
| Dividends to AMPS Shareholders from net investment income | — | (276,033) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 48,000,736 | 5,072,186 |
| Dividends to Common Shareholders From | | |
| Net investment income | (12,738,803) | (12,484,922) |
| Capital Share Transactions | | |
| Reinvestment of common dividends | 388,311 | 269,741 |
| Net Assets Applicable to Common Shareholders | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 35,650,244 | (7,142,995) |
| Beginning of year | 186,127,325 | 193,270,320 |
| End of year | \$221,777,569 | \$186,127,325 |
| Undistributed net investment income | \$3,803,497 | \$3,810,971 |
| See Notes to Financial Statements. | | |

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**BlackRock MuniYield New Jersey Fund, Inc.
(MYJ)**

Statements of Changes in Net Assets

| Increase (Decrease) in Net Assets Applicable to Common Shareholders: | Year Ended July 31, | |
|--|----------------------------|----------------|
| | 2012 | 2011 |
| Operations | | |
| Net investment income | \$ 12,296,804 | \$ 13,022,724 |
| Net realized gain | 809,303 | 1,150,860 |
| Net change in unrealized appreciation/depreciation | 29,093,368 | (6,891,568) |
| Dividends to AMPS Shareholders from net investment income | — | (489,633) |
| Net increase in net assets applicable to Common Shareholders resulting from operations | 42,199,475 | 6,792,383 |
| Dividends to Common Shareholders From | | |
| Net investment income | (12,674,633) | (12,386,553) |
| Capital Share Transactions | | |
| Reinvestment of common dividends | 113,352 | 281,803 |
| Net Assets Applicable to Common Shareholders | | |
| Total increase (decrease) in net assets applicable to Common Shareholders | 29,638,194 | (5,312,367) |
| Beginning of year | 211,121,113 | 216,433,480 |
| End of year | \$ 240,759,307 | \$ 211,121,113 |
| Undistributed net investment income | \$ 4,512,450 | \$ 4,779,505 |
| See Notes to Financial Statements. | | |

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Statements of Cash Flows

| Year Ended July 31, 2012 | BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE) | BlackRock MuniYield Arizona Fund, Inc. (MZA) | BlackRock MuniYield California Fund, Inc. (MYC) | BlackRock MuniYield Investment Fund (MYF) | BlackRock MuniYield New Jersey Fund, Inc. (MYJ) |
|--|---|---|--|--|--|
| Cash Provided by (Used for) Operating Activities | | | | | |
| Net increase in net assets resulting from operations, excluding dividends to AMPS Shareholders | \$ 9,318,592 | \$ 11,729,842 | \$ 75,248,805 | \$ 48,000,736 | \$ 42,199,475 |
| Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities: | | | | | |
| (Increase) decrease in interest receivable | 1,905 | (12,949) | (61,097) | (30,234) | (396,834) |
| Decrease in cash pledged as collateral for financial futures contracts | 26,400 | 39,600 | — | 118,800 | 85,000 |
| Decrease in prepaid expenses | 4,632 | 7,087 | 20,354 | 17,740 | 20,713 |
| Decrease in other assets | — | — | — | 2,356 | — |
| Increase in investment advisory fees payable | 4,805 | 3,240 | 27,689 | 23,354 | 20,205 |
| Increase (decrease) in interest expense and fees payable | 1,927 | (10,683) | (38,844) | (16,507) | 6,601 |
| Increase in other accrued expenses payable | 17,750 | 64,634 | 15,827 | 51,802 | 24,616 |
| Decrease in variation margin payable | (23,750) | (35,625) | — | (106,875) | (76,000) |
| Increase in Officer's and Directors' fees payable | 1,245 | 1,204 | 5,637 | 3,602 | 3,613 |
| Net realized and unrealized gain on investments | (6,452,081) | (8,285,747) | (56,449,608) | (36,533,789) | (31,021,377) |
| Amortization of premium and accretion of discount on investments | 190,459 | 99,321 | 861,269 | 656,741 | (186,646) |
| Amortization of deferred offering costs | 43,110 | 83,369 | 219,109 | 125,384 | 192,635 |
| | 25,461,973 | 28,514,123 | 254,413,577 | 107,562,605 | 76,803,519 |

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| | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|
| Proceeds from sales of long-term investments | | | | | |
| Purchases of long-term investments | (30,532,998) | (30,283,682) | (263,970,360) | (132,910,857) | (104,774,182) |
| Net proceeds from sales (purchases) of short-term securities | 280,602 | 1,608,909 | 1,998,118 | 1,908,983 | 11,681,192 |
| Cash provided by (used for) operating activities | (1,655,429) | 3,522,643 | 12,290,476 | (11,126,159) | (5,417,470) |

Cash Provided by (Used for) Financing Activities

| | | | | | |
|---|--------------|-------------|--------------|--------------|--------------|
| Cash receipts from TOB trust certificates | 5,083,399 | 330,000 | 17,761,255 | 27,284,255 | 18,158,995 |
| Cash payments for TOB trust certificates | — | — | (9,782,857) | (3,034,299) | — |
| Cash payments on redemption of AMPS | (29,625,000) | — | — | — | — |
| Cash receipts from issuance of VRDP Shares | 29,600,000 | — | — | — | — |
| Cash payments for offering costs | (223,014) | (153,161) | (143,199) | (121,210) | (113,796) |
| Cash dividends paid to Common Shareholders | (3,104,353) | (3,744,792) | (20,187,904) | (12,315,333) | (12,539,439) |
| Cash dividends paid to AMPS Shareholders | (75,603) | — | — | — | — |
| Decrease in bank overdraft | — | — | — | (45,624) | (88,290) |
| Cash provided for (used for) financing activities | 1,655,429 | (3,567,953) | (12,352,705) | 11,767,789 | 5,417,470 |

Cash

| | | | | | |
|----------------------------------|-----|----------|-------------|------------|---|
| Net increase (decrease) in cash. | —\$ | (45,310) | \$ (62,229) | \$ 641,630 | — |
| Cash at beginning of year | — | 45,310 | 62,229 | — | — |
| Cash at end of year | — | — | —\$ | 641,630 | — |

Cash Flow Information

| | | | | | |
|---|------------|------------|--------------|------------|------------|
| Cash paid during the year for interest and fees | \$ 150,100 | \$ 260,372 | \$ 1,463,625 | \$ 921,912 | \$ 716,336 |
|---|------------|------------|--------------|------------|------------|

Non-cash Financing Activities

| | | | | | |
|--|-----|--------|-----|---------|------------|
| Capital shares issued in reinvestment of dividends paid to Common Shareholders | —\$ | 61,778 | —\$ | 388,311 | \$ 113,352 |
|--|-----|--------|-----|---------|------------|

A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the year, based on the average borrowings outstanding in relation to average total assets.

See Notes to Financial Statements.

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| Financial Highlights | BlackRock Muni New York Intermediate Duration Fund, Inc. (MNE) | | | | | |
|---|---|----------|----------|----------|--|----------------------------------|
| | Year Ended July 31, | | | | Period June 1, 2008 to July 31, 2008 | Year Ended May 31, 2008 |
| | 2012 | 2011 | 2010 | 2009 | | |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$14.51 | \$14.50 | \$12.99 | \$13.51 | \$14.05 | \$14.91 |
| Net investment income ¹ | 0.74 | 0.87 | 0.88 | 0.87 | 0.14 | 0.91 |
| Net realized and unrealized gain (loss) | 1.48 | (0.03) | 1.40 | (0.55) | (0.53) | (0.86) |
| Dividends to AMPS Shareholders from net investment income | (0.02) | (0.10) | (0.10) | (0.20) | (0.04) | (0.27) |
| Net increase (decrease) from investment operations | 2.20 | 0.74 | 2.18 | 0.12 | (0.43) | (0.22) |
| Dividends to Common Shareholders from net investment income | (0.74) | (0.73) | (0.67) | (0.64) | (0.11) | (0.64) |
| Net asset value, end of period | \$15.97 | \$14.51 | \$14.50 | \$12.99 | \$13.51 | \$14.05 |
| Market price, end of period | \$15.80 | \$12.98 | \$13.54 | \$11.60 | \$12.12 | \$12.81 |
| Total Investment Return Applicable to Common Shareholders ² | | | | | | |
| Based on net asset value | 15.73% | 5.71% | 17.67% | 2.26% | (3.01)% ³ | (1.10)% |
| Based on market price | 28.00% | 1.26% | 23.05% | 1.79% | (4.56)% ³ | (3.48)% |
| Ratio to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses ⁴ | 1.82% | 1.23% | 1.20% | 1.33% | 1.39% ⁵ | 1.28% |
| Total expenses after fees waived and paid indirectly ⁴ | 1.81% | 1.22% | 1.12% | 1.15% | 1.15% ⁵ | 1.04% |
| Total expenses after fees waived and paid indirectly and excluding | | | | | | |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs ^{4,6} | 1.57% ⁷ | 1.21% | 1.12% | 1.11% | 1.11% ⁵ | 1.04% |
| Net investment income ⁴ | 4.86% | 6.16% | 6.30% | 7.01% | 6.36% ⁵ | 6.31% |
| Dividends to AMPS Shareholders | 0.11% | 0.71% | 0.75% | 1.59% | 1.84% ⁵ | 1.89% |
| Net investment income to Common Shareholders | 4.75% | 5.45% | 5.55% | 5.42% | 4.52% ⁵ | 4.42% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$67,159 | \$61,019 | \$61,010 | \$54,642 | \$56,830 | \$59,101 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000) | — | \$29,632 | \$29,625 | \$29,625 | \$29,625 | \$31,000 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$29,600 | — | — | — | — | — |
| Portfolio turnover | 27% | 23% | 27% | 32% | 2% | 21% |

| | | | | | | |
|--|-----------|----------|----------|----------|----------|----------|
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period | — | \$76,499 | \$76,492 | \$71,119 | \$72,970 | \$72,676 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$326,888 | — | — | — | — | — |

¹Based on average Common Shares outstanding.

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value,

²may result in substantially different returns. Where applicable, total investment returns exclude the effects of sales charges and include the reinvestment of dividends and distributions.

³Aggregate total investment return.

⁴Do not reflect the effect of dividends to AMPS Shareholders.

Annualized. Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratio of the total expenses, total expenses after fees waived and paid indirectly, total expenses after fees waived and fees paid indirectly and excluding interest expense and fees, net investment income and net investment income to Common Shareholders would have been 1.79%, 1.55%, 1.50%, 5.96% and 4.12% respectively.

Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

⁷For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.18%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield Arizona Fund, Inc. (MZA)

| | Year Ended July 31, | | | | Period | Y |
|---|---------------------|--------------------|--------------------|--------------------|---|-------------------|
| | 2012 | 2011 | 2010 | 2009 | November 1, 2007 to July 31, 2008 | E O 3 20 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$13.38 | \$13.73 | \$12.40 | \$12.81 | \$13.96 | \$ |
| Net investment income ¹ | 0.80 | 0.87 | 0.93 | 0.95 | 0.72 | |
| Net realized and unrealized gain (loss) | 1.77 | (0.33) | 1.28 | (0.47) | (1.00) | |
| Dividends and distributions to AMPS Shareholders from: | | | | | | |
| Net investment income | — | (0.06) | (0.06) | (0.19) | (0.19) | |
| Net realized gain | — | — | — | — | (0.05) | |
| Net increase (decrease) from investment operations | 2.57 | 0.48 | 2.15 | 0.29 | (0.52) | |
| Dividends and distributions to Common Shareholders from: | | | | | | |
| Net investment income | (0.83) | (0.83) | (0.82) | (0.70) | (0.51) | |
| Net realized gain | — | — | — | — | (0.12) | |
| Total dividends and distributions to Common Shareholders | (0.83) | (0.83) | (0.82) | (0.70) | (0.63) | |
| Net asset value, end of period | \$15.12 | \$13.38 | \$13.73 | \$12.40 | \$12.81 | \$ |
| Market price, end of period | \$15.61 | \$12.83 | \$13.67 | \$12.85 | \$13.94 | \$ |
| Total Investment Return Applicable to Common Shareholders ² | | | | | | |
| Based on net asset value | 19.86% | 3.92% | 17.75% | 3.27 % | (3.79)% | ³ |
| Based on market price | 29.05% | 0.09% | 13.13% | (1.66)% | 6.99 % | ³ |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses | 1.96% | 1.52% ⁴ | 1.25% ⁴ | 1.46% ⁴ | 1.61% ^{4,5} | |
| Total expenses after fees waived and paid indirectly | 1.96% | 1.52% ⁴ | 1.24% ⁴ | 1.42% ⁴ | 1.59% ^{4,5} | |
| Total expenses after fees waived and paid indirectly and excluding interest expense, fees and amortization of offering costs ⁶ | 1.58% ⁷ | 1.43% ⁴ | 1.22% ⁴ | 1.36% ⁴ | 1.40% ^{4,5} | |
| Net investment income | 5.62% | 6.62% ⁴ | 6.99% ⁴ | 8.16% ⁴ | 7.19% ^{4,5} | |
| Dividends to AMPS Shareholders | — | 0.36% | 0.44% | 1.61% | 1.94% ⁵ | |
| Net investment income to Common Shareholders | 5.62% | 6.26% | 6.56% | 6.55% | 5.25% ⁵ | |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$69,071 | \$61,086 | \$62,618 | \$56,449 | \$58,218 | \$ |
| AMPS outstanding at \$25,000 liquidation preference, | | | | | | |

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| | | | | | | |
|--|-----------|-----------|----------|----------|----------|----|
| end of period (000) | — | — | \$38,800 | \$38,800 | \$40,300 | \$ |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$37,300 | \$37,300 | — | — | — | |
| Portfolio turnover | 26% | 16% | 25% | 39% | 13% | |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period | — | — | \$65,350 | \$61,375 | \$61,122 | \$ |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$285,177 | \$263,770 | — | — | — | |

¹Based on average Common Shares outstanding.

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of sales charges and include the reinvestment of dividends and distributions.

³Aggregate total investment return.

⁴Do not reflect the effect of dividends to AMPS Shareholders.

⁵Annualized.

Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

⁷For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.14%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield California Fund, Inc. (MYC)

| | Year Ended July 31, | | | | Period | Year En |
|---|---------------------|--------------------|--------------------|--------------------|--|-----------------|
| | 2012 | 2011 | 2010 | 2009 | November 1, 2007 to July 31, 2008 | October 2007 |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$14.38 | \$14.76 | \$13.47 | \$13.71 | \$14.60 | \$15.11 |
| Net investment income ¹ | 0.94 | 0.95 | 0.94 | 0.91 | 0.69 | 0.93 |
| Net realized and unrealized gain (loss) | 2.60 | (0.37) | 1.21 | (0.33) | (0.88) | (0.49 |
| Dividends to AMPS Shareholders from net investment income | — | (0.03) | (0.03) | (0.13) | (0.20) | (0.29 |
| Net increase (decrease) from investment operations | 3.54 | 0.55 | 2.12 | 0.45 | (0.39) | 0.15 |
| Dividends to Common Shareholders from net investment income | (0.95) | (0.93) | (0.83) | (0.69) | (0.50) | (0.66 |
| Net asset value, end of period | \$16.97 | \$14.38 | \$14.76 | \$13.47 | \$13.71 | \$14.60 |
| Market price, end of period | \$17.31 | \$13.29 | \$14.44 | \$12.44 | \$13.07 | \$13.25 |
| Total Investment Return Applicable to Common Shareholders ² | | | | | | |
| Based on net asset value | 25.45% | 4.28 % | 16.59% | 4.64% | (2.55)% | 1.36 |
| Based on market price | 38.46% | (1.49)% | 23.51% | 1.37% | 2.37 % | (0.72 |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses | 1.64% | 1.49% ⁴ | 1.19% ⁴ | 1.49% ⁴ | 1.49% ^{4,5} | 1.77% |
| Total expenses after fees waived | 1.64% | 1.49% ⁴ | 1.18% ⁴ | 1.47% ⁴ | 1.45% ^{4,5} | 1.75% |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs ⁶ | 1.21% ⁷ | 1.16% ⁴ | 0.99% ⁴ | 1.08% ⁴ | 1.06% ^{4,5} | 1.06% |
| Net investment income | 5.96% | 6.76% ⁴ | 6.53% ⁴ | 7.07% ⁴ | 6.24% ^{4,5} | 6.29% |
| Dividends to AMPS Shareholders | — | 0.18% | 0.22% | 0.99% | 1.83% ⁵ | 1.93% |
| Net investment income to Common Shareholders | 5.96% | 6.58% | 6.31% | 6.08% | 4.41% ⁵ | 4.36% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$361,341 | \$306,280 | \$314,326 | \$286,805 | \$292,002 | \$310,93 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000) | — | — | \$105,950 | \$105,950 | \$126,500 | \$175,00 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$105,900 | \$105,900 | — | — | — | — |
| Portfolio turnover | 48% | 33% | 41% | 38% | 30% | 41% |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period | — | — | \$99,173 | \$92,679 | \$82,724 | \$69,452 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$441,209 | \$389,216 | — | — | — | — |

¹Based on average Common Shares outstanding.

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of sales charges and include the reinvestment of dividends and distributions.

³Aggregate total investment return.

⁴Do not reflect the effect of dividends to AMPS Shareholders.

⁵Annualized.

Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

⁷For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.97%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield Investment Fund (MYF)

| | Year Ended July 31, | | | | Period November 1, 2007 to July 31, 2008 | Year Ended October 31, 2007 |
|---|---------------------|--------------------|--------------------|--------------------|--|-----------------------------------|
| | 2012 | 2011 | 2010 | 2009 | | |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$13.71 | \$14.26 | \$12.95 | \$13.59 | \$14.53 | \$15.11 |
| Net investment income ¹ | 0.93 | 0.97 | 0.96 | 0.96 | 0.73 | 0.99 |
| Net realized and unrealized gain (loss) | 2.60 | (0.58) | 1.18 | (0.77) | (0.94) | (0.57) |
| Dividends to AMPS Shareholders from net investment income | — | (0.02) | (0.02) | (0.13) | (0.21) | (0.30) |
| Net increase (decrease) from investment operations | 3.53 | 0.37 | 2.12 | 0.06 | (0.42) | 0.12 |
| Dividends to Common Shareholders from net investment income | (0.94) | (0.92) | (0.81) | (0.70) | (0.52) | (0.70) |
| Net asset value, end of period | \$16.30 | \$13.71 | \$14.26 | \$12.95 | \$13.59 | \$14.53 |
| Market price, end of period | \$16.52 | \$13.08 | \$14.36 | \$11.72 | \$11.91 | \$12.86 |
| Total Investment Return Applicable to Common Shareholders ² | | | | | | |
| Based on net asset value | 26.55% | 2.97 % | 17.12% | 1.93% | (2.52) % ³ | 1.21 % |
| Based on market price | 34.44% | (2.45)% | 30.32% | 5.26% | (3.48) % ³ | (5.68)% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses | 1.66% | 1.45% ⁴ | 1.26% ⁴ | 1.35% ⁴ | 1.42% ^{4,5} | 1.47% ⁴ |
| Total expenses after fees waived | 1.66% | 1.45% ⁴ | 1.26% ⁴ | 1.34% ⁴ | 1.40% ^{4,5} | 1.46% ⁴ |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs ⁶ | 1.22% ⁷ | 1.14% ⁴ | 1.02% ⁴ | 1.12% ⁴ | 1.10% ^{4,5} | 1.10% ⁴ |
| Net investment income | 6.19% | 7.22% ⁴ | 6.92% ⁴ | 7.66% ⁴ | 6.77% ^{4,5} | 6.72% ⁴ |
| Dividends to AMPS Shareholders | — | 0.15% | 0.18% | 1.09% | 1.92% ⁵ | 2.01% |
| Net investment income to Common Shareholders | 6.19% | 7.07% | 6.74% | 6.57% | 4.85% ⁵ | 4.71% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$221,778 | \$186,127 | \$193,270 | \$175,610 | \$184,315 | \$197,014 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000) | — | — | \$59,475 | \$59,475 | \$90,825 | \$110,000 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$59,400 | \$59,400 | — | — | — | — |
| Portfolio turnover | 34% | 27% | 41% | 63% | 22% | 25% |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period | — | — | \$106,242 | \$98,819 | \$75,742 | \$69,790 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$473,363 | \$413,346 | — | — | — | — |

¹Based on average Common Shares outstanding.

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of sales charges and include the reinvestment of dividends and distributions.

³Aggregate total investment return.

⁴Do not reflect the effect of dividends to AMPS Shareholders.

⁵Annualized.

Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

⁷For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.99%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield New Jersey Fund, Inc. (MYJ)

| | Year Ended July 31, | | | | Period December 1, 2007 to July 31, 2008 | Year Ended November 30, 2007 |
|---|---------------------|--------------------|--------------------|--------------------|--|---|
| | 2012 | 2011 | 2010 | 2009 | | |
| Per Share Operating Performance | | | | | | |
| Net asset value, beginning of period | \$14.84 | \$15.24 | \$14.13 | \$14.36 | \$15.18 | \$15.90 |
| Net investment income ¹ | 0.86 | 0.92 | 1.00 | 0.98 | 0.62 | 1.01 |
| Net realized and unrealized gain (loss) | 2.11 | (0.41) | 1.00 | (0.34) | (0.79) | (0.74) |
| Dividends to AMPS Shareholders from net investment income | — | (0.03) | (0.04) | (0.15) | (0.18) | (0.29) |
| Net increase (decrease) from investment operations | 2.97 | 0.48 | 1.96 | 0.49 | (0.35) | (0.02) |
| Dividends to Common Shareholders from net investment income | (0.89) | (0.88) | (0.85) | (0.72) | (0.47) | (0.70) |
| Net asset value, end of period | \$16.92 | \$14.84 | \$15.24 | \$14.13 | \$14.36 | \$15.18 |
| Market price, end of period | \$17.07 | \$13.53 | \$15.19 | \$13.49 | \$13.52 | \$13.66 |
| Total Investment Return Applicable to Common Shareholders ² | | | | | | |
| Based on net asset value | 20.72% | 3.55 % | 14.34% | 4.50% | (2.17)% | 0.11 % |
| Based on market price | 33.59% | (5.28)% | 19.38% | 5.96% | 2.35 % ³ | (7.41)% |
| Ratios to Average Net Assets Applicable to Common Shareholders | | | | | | |
| Total expenses | 1.61% | 1.26% ⁴ | 1.01% ⁴ | 1.15% ⁴ | 1.22% ^{4,5} | 1.28% ⁴ |
| Total expenses after fees waived | 1.60% | 1.25% ⁴ | 1.00% ⁴ | 1.14% ⁴ | 1.20% ^{4,5} | 1.27% ⁴ |
| Total expenses after fees waived and excluding interest expense, fees and amortization of offering costs ⁶ | 1.28% ⁷ | 1.14% ⁴ | 0.98% ⁴ | 1.05% ⁴ | 1.13% ^{4,5} | 1.10% ⁴ |
| Net investment income | 5.41% | 6.26% ⁴ | 6.71% ⁴ | 7.21% ⁴ | 6.27% ^{4,5} | 6.56% ⁴ |
| Dividends to AMPS Shareholders | — | 0.23% | 0.30% | 1.12% | 1.85% ⁵ | 1.85% |
| Net investment income to Common Shareholders | 5.41% | 6.03% | 6.41% | 6.09% | 4.42% ⁵ | 4.71% |
| Supplemental Data | | | | | | |
| Net assets applicable to Common Shareholders, end of period (000) | \$240,759 | \$211,121 | \$216,433 | \$200,740 | \$204,022 | \$215,585 |
| AMPS outstanding at \$25,000 liquidation preference, end of period (000) | — | — | \$102,200 | \$102,200 | \$104,725 | \$119,000 |
| VRDP Shares outstanding at \$100,000 liquidation value, end of period (000) | \$102,200 | \$102,200 | — | — | — | — |
| Portfolio turnover | 23% | 18% | 15% | 21% | 11% | 18% |
| Asset coverage per AMPS at \$25,000 liquidation preference, end of period | — | — | \$77,946 | \$74,107 | \$73,709 | \$70,305 |
| Asset coverage per VRDP Shares at \$100,000 liquidation value, end of period | \$335,577 | \$306,576 | — | — | — | — |

¹Based on average Common Shares outstanding.

Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable, total investment returns exclude the effects of sales charges and include the reinvestment of dividends and distributions.

³Aggregate total investment return.

⁴Do not reflect the effect of dividends to AMPS Shareholders.

⁵Annualized.

Interest expense, fees and amortization of offering costs relate to TOBs and/or VRDP Shares. See Note 1 and Note 7 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs and VRDP Shares, respectively.

⁷For the year ended July 31, 2012, the total expense ratio after fees waived and paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.93%.

See Notes to Financial Statements.

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Notes to Financial Statements

1. Organization and Significant Accounting Policies:

BlackRock Muni New York Intermediate Duration Fund, Inc. (“MNE”), BlackRock MuniYield Arizona Fund, Inc. (“MZA”), BlackRock MuniYield California Fund, Inc. (“MYC”), BlackRock MuniYield Investment Fund (“MYF”) and BlackRock MuniYield New Jersey Fund, Inc. (“MYJ”) (collectively, the “Funds”) are registered under the 1940 Act, as non-diversified, closed-end management investment companies. MNE, MZA, MYC and MYJ are organized as Maryland corporations. MYF is organized as a Massachusetts business trust. The Funds’ financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Boards of Directors and the Board of Trustees of the Funds are collectively referred to throughout this report as the “Board of Directors” or the “Board”, and the directors/trustees thereof are collectively referred to throughout this report as “Directors.” The Funds determine and make available for publication the NAVs of their Common Shares on a daily basis.

The following is a summary of significant accounting policies followed by the Funds:

Valuation: US GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds fair value their financial instruments at market value using independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the “Global Valuation Committee”) is the committee formed by management to develop global pricing policies and procedures and to provide oversight of the pricing function for the Funds for all financial instruments.

Municipal investments (including commitments to purchase such investments on a “when-issued” basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Investments in open-end registered investment companies are valued at NAV each business day. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value.

In the event that application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value (“Fair Value Assets”). When determining the price for Fair Value Assets, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm’s-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. These factors include but are not limited to (i) attributes specific to the investment or asset; (ii) the principal market for the investment or asset; (iii) the customary participants in the principal market for the investment or asset; (iv) data assumptions by market participants for the investment or asset, if reasonably available; (v) quoted prices for similar investments or assets in active markets; and (vi) other factors, such as future cash flows, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and/or default rates. The Global Valuation Committee, or its delegate, employs various methods for calibrating valuation approaches, including regular due diligence of the Funds’ pricing vendors, a regular review of key inputs and assumptions, transactional back-testing or disposition analysis to compare unrealized gains and losses to realized gains and losses, reviews of missing or stale prices and large movements in market values and reviews of any market related

activity. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof on a quarterly basis.

Zero-Coupon Bonds: The Funds may invest in zero-coupon bonds, which are normally issued at a significant discount from face value and do not provide for periodic interest payments. Zero-coupon bonds may experience greater volatility in market value than similar maturity debt obligations which provide for regular interest payments.

Forward Commitments and When-Issued Delayed Delivery Securities: The Funds may purchase securities on a when-issued basis and may purchase or sell securities on a forward commitment basis. Settlement of such transactions normally occurs within a month or more after the purchase or sale commitment is made. The Funds may purchase securities under such conditions with the intention of actually acquiring them, but may enter into a separate agreement to sell the securities before the settlement date. Since the value of securities purchased may fluctuate prior to settlement, the Funds may be required to pay more at settlement than the security is worth. In addition, the Funds are not entitled to any of the interest earned prior to settlement. When purchasing a security on a delayed delivery basis, the Funds assume the rights and risks of ownership of the security, including the risk of price and yield fluctuations. In the event of default by the counterparty, the Funds' maximum amount of loss is the unrealized appreciation of unsettled when-issued transactions, which is shown in the Schedules of Investments.

Municipal Bonds Transferred to TOBs: The Funds leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which a fund, or an agent on behalf of a fund, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Fund has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ("TOB Residuals"), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Fund include the right of a Fund (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a

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Notes to Financial Statements (continued)

corresponding share of the municipal bonds from the TOB to a Fund. The TOB may also be terminated without the consent of a Fund upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the year ended July 31, 2012, no TOBs in which the Funds participated were terminated without the consent of the Funds.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Fund, in exchange for TOB trust certificates. The Funds typically invest the cash in additional municipal bonds. Each Fund's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing, therefore, the municipal bonds deposited into a TOB are presented in the Funds' Schedules of Investments and the TOB trust certificates are shown in other liabilities in the Funds' Statements of Assets and Liabilities. The carrying amount of the Funds' payable to the holder of the short-term floating rate certificates as reported in the Funds' Statements of Assets and Liabilities as TOB trust certificates approximates its fair value. Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Funds on an accrual basis.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At July 31, 2012, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for TOB trust certificates and the range of interest rates on the liability for TOB trust certificates were as follows:

| | Underlying Municipal Bonds Transferred to TOBs | Liability for TOB Trust Certificates | Range of Interest Rates |
|-----|---|---|--|
| MNE | \$12,457,742 | \$6,208,399 | 0.16% – 0.23% |
| MZA | \$7,649,984 | \$3,330,000 | 0.15% – 0.16% |
| MYC | \$248,033,552 | \$116,855,901 | 0.13% – 0.37% |
| MYF | \$173,739,279 | \$86,373,943 | 0.13% – 0.33% |
| MYJ | \$51,790,390 | \$26,812,696 | 0.13% – 0.33% |

For the year ended July 31, 2012, the Funds' average TOB trust certificates outstanding and the daily weighted average interest rate, including fees, were as follows:

| | |
|---|--|
| Average TOB Trust Certificates Outstanding | Daily Weighted Average Interest |
|---|--|

| | | Rate |
|-----|---------------|-------|
| MNE | \$3,308,471 | 0.73% |
| MZA | \$3,285,820 | 0.69% |
| MYC | \$117,337,390 | 0.69% |
| MYF | \$72,913,404 | 0.75% |
| MYJ | \$19,022,861 | 0.68% |

Should short-term interest rates rise, the Funds' investments in TOBs may adversely affect the Funds' net investment income and dividends to Common Shareholders. Also, fluctuations in the market value of municipal bonds deposited into the TOB may adversely affect the Funds' NAVs per share.

Segregation and Collateralization: In cases in which the 1940 Act and the interpretive positions of the Securities and Exchange Commission ("SEC") require that the Funds either deliver collateral or segregate assets in connection with certain investments (e.g., financial futures contracts), the Funds will, consistent with SEC rules and/or certain interpretive letters issued by the SEC, segregate collateral or designate on their books and records cash or liquid securities having a market value at least equal to the amount that would otherwise be required to be physically segregated. Furthermore, based on requirements and agreements with certain exchanges and third party broker-dealers, each party to such transactions has requirements to deliver/deposit securities as collateral for certain investments.

Investment Transactions and Investment Income: For financial reporting purposes, investment transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on investment transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income, including amortization and accretion of premiums and discounts on debt securities, is recognized on the accrual basis.

Dividends and Distributions: Dividends from net investment income are declared and paid monthly. Distributions of capital gains, if any, are recorded on the ex-dividend dates. The amount and timing of dividends and distributions are determined in accordance with federal income tax regulations, which may differ from US GAAP. Dividends and distributions to Preferred Shareholders are accrued and determined as described in Note 7.

Income Taxes: It is each Fund's policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies and to distribute substantially all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

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Notes to Financial Statements (continued)

Each Fund files US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' US federal tax returns remains open for each of the four years ended July 31, 2012. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

Recent Accounting Standard: In December 2011, the Financial Accounting Standards Board issued guidance that will expand current disclosure requirements on the offsetting of certain assets and liabilities. The new disclosures will be required for investments and derivative financial instruments subject to master netting or similar agreements which are eligible for offset in the Statements of Assets and Liabilities and will require an entity to disclose both gross and net information about such investments and transactions in the financial statements. The guidance is effective for financial statements with fiscal years beginning on or after January 1, 2013, and interim periods within those fiscal years. Management is evaluating the impact of this guidance on the Funds' financial statement disclosures.

Deferred Compensation and BlackRock Closed-End Share Equivalent Investment Plan: Under the deferred compensation plan approved by each Fund's Board, independent Directors ("Independent Directors") may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors. This has approximately the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain other BlackRock Closed-End Funds. The deferred compensation plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund. Prior to March 31, 2012, each Fund elected to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations, and dividends and distributions received from the BlackRock Closed-End Fund investments through March 31, 2012 are included in income — affiliated in the Statements of Operations.

Offering Costs: The Funds incurred costs in connection with its issuance of VRDP Shares, which were recorded as a deferred charge and will be amortized over the 30-year life of the VRDP Shares with the exception of upfront fees paid to the liquidity provider, which were amortized over the term of the initial liquidity agreement. Amortization of these costs is included in interest expense, fees and amortization of offering costs in the Statements of Operations.

Other: Expenses directly related to a Fund are charged to that Fund. Other operating expenses shared by several funds are pro rated among those funds on the basis of relative net assets or other appropriate methods.

The Funds have an arrangement with the custodians whereby fees may be reduced by credits earned on uninvested cash balances, which, if applicable, are shown as fees paid indirectly in the Statements of Operations. The custodians impose fees on overdrawn cash balances, which can be offset by accumulated credits earned or may result in additional custody charges.

2. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to economically hedge, or protect, their exposure to certain risks such as interest rate risk. These contracts may be transacted on an exchange.

Losses may arise if the value of the contract decreases due to an unfavorable change in the market rates or values of the underlying instrument or if the counterparty does not perform under the contract. Counterparty risk related to exchange-traded financial futures contracts is deemed to be minimal due to the protection against defaults provided by the exchange on which these contracts trade.

Financial Futures Contracts: The Funds purchase or sell financial futures contracts and options on financial futures contracts to gain exposure to, or economically hedge against, changes in interest rates (interest rate risk). Financial futures contracts are agreements between the Funds and counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and at a specified date. Depending on the terms of the particular contract, financial futures contracts are settled either through physical delivery of the underlying instrument on the settlement date or by payment of a cash settlement amount on the settlement date. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in value of the contract. Such receipts or payments are known as variation margin and are recorded by the Funds as unrealized appreciation or depreciation. When the contract is closed, the Funds record a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of financial futures contracts involves the risk of an imperfect correlation in the movements in the price of financial futures contracts, interest rates and the underlying assets.

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Notes to Financial Statements (continued)

**Derivative Financial Instruments Categorized by Risk Exposure:
The Effect of Derivative Financial Instruments in the Statements of Operations
Year Ended July 31, 2012**

Net Realized Loss

| | MNE | MZA | MYC | MYF | MYJ |
|-----------------------------|--------------|--------------|---------------|---------------|----------------|
| Interest rate contracts: | | | | | |
| Financial futures contracts | \$(307,086) | \$(331,756) | \$(1,206,118) | \$(1,428,904) | \$(1,315,828) |

Net Change in Unrealized Appreciation/Depreciation on

| | MNE | MZA | MYF | MYJ |
|-----------------------------|----------|----------|-----------|-----------|
| Interest rate contracts: | | | | |
| Financial futures contracts | \$61,601 | \$92,401 | \$277,202 | \$197,122 |

For the year ended July 31, 2012, the average quarterly balances of outstanding derivative financial instruments were as follows:

| | MNE | MZA | MYC | MYF | MYJ |
|--|-------------|-------------|-------------|-------------|--------------|
| Financial future contracts: | | | | | |
| Average number of contracts sold | 24 | 11 | 60 | 71 | 80 |
| Average notional value of contracts sold | \$3,141,531 | \$1,488,086 | \$7,936,563 | \$9,391,414 | \$10,581,875 |

3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. (“PNC”) is the largest stockholder and an affiliate, for 1940 Act purposes of BlackRock, Inc. (“BlackRock”).

Each Fund entered into an Investment Advisory Agreement with BlackRock Advisors, LLC (the “Manager”), the Funds’ investment advisor, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund’s portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of each Fund. For such services, each Fund pays the Manager a monthly fee based on a percentage of each Fund’s average daily net assets at the following annual rates:

MNE 0.55%
MZA 0.50%
MYC 0.50%
MYF 0.50%
MYJ 0.50%

Average daily net assets are the average daily value of each Fund’s total assets minus the sum of its accrued liabilities.

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds.

However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Fund’s investment in other affiliated investment companies, if any. These amounts are shown as

fees waived by advisor in the Statements of Operations.

The Manager entered into a sub-advisory agreement with BlackRock Investment Management, LLC (“BIM”), an affiliate of the Manager. The Manager pays BIM, for services it provides, a monthly fee that is a percentage of the investment advisory fees paid by each Fund to the Manager.

Certain officers and/or Directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds’ Chief Compliance Officer.

4. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended July 31, 2012, were as follows:

| Purchases | Sales |
|-------------------|---------------|
| MNE \$31,797,058 | \$25,461,973 |
| MZA \$26,730,755 | \$26,962,420 |
| MYC \$273,006,412 | \$262,374,902 |
| MYF \$129,108,394 | \$113,156,816 |
| MYJ \$100,432,735 | \$76,737,444 |

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Notes to Financial Statements (continued)

5. Income Tax Information:

US GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. The following permanent differences as of July 31, 2012 attributable to amortization methods on fixed income securities and non-deductible expenses were reclassified to the following accounts:

| | MNE | MZA | MYC | MYF | MYJ |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| Paid-in capital | \$(43,110) | \$(81,344) | \$(219,109) | \$(125,385) | \$(192,634) |
| Undistributed net investment income | \$(144,676) | \$123,564 | \$219,109 | \$112,680 | \$110,774 |
| Accumulated net realized loss | \$187,786 | \$(42,220) | — | \$12,705 | \$81,860 |

The tax character of distributions paid during the fiscal years ended July 31, 2012 and July 31, 2011 was as follows:

| | | MNE | MZA | MYC | MYF | MYJ |
|-------------------|---------|-------------|-------------|--------------|--------------|--------------|
| Tax-exempt income | 7/31/12 | \$3,263,872 | \$3,952,445 | \$20,582,409 | \$12,970,647 | \$12,871,675 |
| | 7/31/11 | 3,491,512 | 4,068,531 | 20,524,519 | 12,828,458 | 12,957,207 |
| Ordinary income | 7/31/12 | — | — | — | — | 201,855 |
| | 7/31/11 | — | — | — | — | 93,835 |
| Total | 7/31/12 | \$3,263,872 | \$3,952,445 | \$20,582,409 | \$12,970,647 | \$13,073,530 |
| | 7/31/11 | \$3,491,512 | \$4,068,531 | \$20,524,519 | \$12,828,458 | \$13,051,042 |

As of July 31, 2012, the tax components of accumulated net earnings were as follows:

| | MNE | MZA | MYC | MYF | MYJ |
|---------------------------------------|-------------|-------------|--------------|--------------|--------------|
| Undistributed tax-exempt income | \$846,920 | \$900,265 | \$5,049,437 | \$3,410,105 | \$4,161,294 |
| Undistributed ordinary income | 2,002 | 2,089 | — | 697 | 64,566 |
| Undistributed long-term capital gains | — | — | — | — | 211,522 |
| Capital loss carryforwards | (1,599,827) | (1,141,301) | (2,301,093) | (10,033,770) | — |
| Net unrealized gains ¹ | 8,322,663 | 8,738,582 | 57,231,266 | 38,993,660 | 31,674,695 |
| Total | \$7,571,758 | \$8,499,635 | \$59,979,610 | \$32,370,692 | \$36,112,077 |

The difference between book-basis and tax-basis net unrealized gains was attributable primarily to the tax deferral of losses on wash sales, amortization and accretion methods of premiums and discounts on fixed income securities, the treatment of residual interests in tender option bond trusts and the deferral of compensation to trustees.

As of July 31, 2012, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

| Expires July 31, | MNE | MZA | MYC | MYF |
|-------------------------|-------------|-------------|-------------|--------------|
| 2016 | \$258,280 | \$202,561 | — | \$149,142 |
| 2017 | 501,235 | — | — | — |
| 2018 | 840,312 | 870,092 | \$2,301,093 | 9,884,628 |
| 2019 | — | 68,648 | — | — |
| Total | \$1,599,827 | \$1,141,301 | \$2,301,093 | \$10,033,770 |

During the year ended July 31, 2012, the Funds listed below utilized the following amounts of their respective capital loss carryforward:

MNE \$479,246
MZA \$115,922
MYC \$2,562,261
MYF \$1,929,227
MYJ \$1,223,654

As of July 31, 2012, gross unrealized appreciation and gross unrealized depreciation based on cost for federal income tax purposes were as follows:

| | MNE | MZA | MYC | MYF | MYJ |
|-------------------------------|--------------|--------------|---------------|---------------|---------------|
| Tax cost | \$88,938,949 | \$96,978,171 | \$409,602,919 | \$238,355,779 | \$308,853,954 |
| Gross unrealized appreciation | \$8,777,254 | \$8,968,126 | \$57,421,129 | \$40,052,418 | \$33,280,608 |
| Gross unrealized depreciation | (454,591) | (228,070) | (189,862) | (1,054,397) | (1,600,789) |
| Net unrealized appreciation | \$8,322,663 | \$8,740,056 | \$57,231,267 | \$38,998,021 | \$31,679,819 |

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Notes to Financial Statements (continued)

6. Concentration, Market and Credit Risk:

MNE, MZA, MYC and MYJ invest a substantial amount of their assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

Many municipalities insure repayment of their bonds, which may reduce the potential for loss due to credit risk. The market value of these bonds may fluctuate for other reasons, including market perception of the value of such insurance, and there is no guarantee that the insurer will meet its obligation.

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

As of July 31, 2012, MZA and MYC invested a significant portion of their assets in securities in the county/city/special district/school district sector. MZA also invested a significant portion of its assets in securities in the state sector. MYF invested a significant portion of its assets in securities in the county/city/special district/school district and transportation sectors. MYJ invested a significant portion of its assets in securities in the state sector. Changes in economic conditions affecting the county/city/special district/school district, state and transportation sectors would have a greater impact on the Funds, and could affect the value, income and/or liquidity of positions in such securities.

7. Capital Share Transactions:

Each Fund is authorized to issue 200 million shares (unlimited number of shares for MYF), all of which were initially classified as Common Shares. The par value for each Fund's Common Shares is \$0.10. The Board is authorized, however, to reclassify any unissued Common Shares to Preferred Shares without approval of Common Shareholders. MYF is authorized to issue 1 million Preferred Shares, par value \$0.05 per share.

Common Shares

For the years shown, shares issued and outstanding increased by the following amounts as a result of dividend reinvestment:

| Year Ended | Year Ended |
|-------------------|-------------------|
| July 31, | July 31, |
| 2012 | 2011 |

| | | |
|-----|--------|--------|
| MZA | 4,161 | 3,936 |
| MYF | 25,531 | 19,835 |
| MYJ | 6,882 | 18,587 |

Shares issued and outstanding remained constant for MNE and MYC for the years ended July 31, 2012 and July 31, 2011.

Preferred Shares

Each Fund's Preferred Shares rank prior to the Fund's Common Shares as to the payment of dividends by the Fund and distribution of assets upon dissolution or liquidation of the Fund. The 1940 Act prohibits the declaration of any dividend on the Funds' Common Shares or the repurchase of the Funds' Common Shares if the Funds fail to maintain the asset coverage of at least 200% of the liquidation preference of the outstanding Preferred Shares. In addition, pursuant to the Preferred Shares' governing instrument, the Funds are restricted from declaring and paying dividends on classes of shares ranking junior to or on parity with the Preferred Shares or repurchasing such shares if the Funds fail to declare and pay dividends on the Preferred Shares, redeem any Preferred Shares required to be redeemed under the Preferred Shares governing instrument or comply with the basic maintenance amount requirement of the rating agencies then rating the Preferred Shares.

The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of reorganization that would adversely affect the Preferred Shares, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

VRDP Shares

MNE, MZA, MYC, MYF and MYJ (collectively, the "VRDP Funds"), have issued Series W-7 VRDP Shares, \$100,000 liquidation value per share, in a privately negotiated offering. The VRDP Shares were offered to qualified institutional buyers as defined pursuant to Rule 144A under the Securities Act of 1933, as amended, (the "Securities Act") and include a liquidity feature, pursuant to a liquidity agreement, that allows the holders of VRDP Shares to have their shares purchased by the liquidity provider in the event of a failed remarketing. The VRDP Funds are required to redeem the VRDP Shares owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Upon the occurrence of the first unsuccessful

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Notes to Financial Statements (continued)

remarketing, the VRDP Funds are required to segregate liquid assets to fund the redemption. The VRDP Shares are subject to certain restrictions on transfer.

The VRDP Shares as of the year ended July 31, 2012 were as follows:

| Issue Date | Shares Issued | Aggregate Principal | Maturity Date |
|-------------------|----------------------|----------------------------|----------------------|
| MNE 9/15/11 | 296 | \$ 29,600,000 | 10/01/41 |
| MZA 5/19/11 | 373 | \$ 37,300,000 | 6/01/41 |
| MYC 5/19/11 | 1,059 | \$105,900,000 | 6/01/41 |
| MYF 5/19/11 | 594 | \$ 59,400,000 | 6/01/41 |
| MYJ 4/21/11 | 1,022 | \$102,200,000 | 5/01/41 |

The VRDP Funds entered into a fee agreement with a liquidity provider that required a per annum liquidity fee to be paid to the liquidity providers. The fee agreement for MZA, MYC, MYF and MYJ also required an initial commitment fee. These fees are shown as liquidity fees in the Statements of Operations.

The fee agreements between MZA, MYC, MYF and MYJ and the liquidity provider are for a 364-day term and are scheduled to expire, unless renewed or terminated in advance, as follows:

| Date |
|-------------|
| MZA 5/14/13 |
| MYC 5/14/13 |
| MYF 5/14/13 |
| MYJ 4/16/13 |

The fee agreement between MNE and the liquidity provider is for a 364-day term and is scheduled to expire on September 15, 2012. As of July 31, 2012, the fee agreement was extended with the liquidity provider for an additional six months, which is scheduled to expire on March 15, 2013, unless terminated in advance.

In the event the fee agreements are not renewed or are terminated in advance, and the VRDP Funds do not enter into a fee agreement with an alternate liquidity provider, the VRDP Shares will be subject to mandatory purchase by the liquidity provider prior to the termination of the fee agreement. The VRDP Funds are required to redeem any VRDP Shares purchased by the liquidity provider six months after the purchase date. Immediately after the purchase of any VRDP Shares by the liquidity provider, the VRDP Funds are required to begin to segregate liquid assets with the VRDP Funds' custodian to fund the redemption. There is no assurance the VRDP Funds will replace such redeemed VRDP Shares with any other preferred shares or other form of leverage.

Each VRDP Fund is required to redeem its VRDP Shares on the maturity date, unless earlier redeemed or repurchased. Six months prior to the maturity date, each VRDP Fund is required to begin to segregate liquid assets with the Fund's custodian to fund the redemption. In addition, VRDP Funds are required to redeem certain of their outstanding VRDP Shares if they fail to maintain certain asset coverage, basic maintenance amount or leverage requirements.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of the VRDP Funds. The redemption price per VRDP Share is equal to the liquidation value per share plus any outstanding unpaid dividends. In the event of an optional redemption of VRDP Shares prior to the initial termination date of the fee agreement, the VRDP Funds must pay the respective liquidity provider fees on such redeemed VRDP Shares for the remaining term of the fee agreement up to the initial termination date.

Dividends on the VRDP Shares are payable monthly at a variable rate set weekly by the remarketing agent. Such dividend rates are generally based upon a spread over a base rate and cannot exceed a maximum rate. In the event of a failed remarketing, the dividend rate of the VRDP Shares will be reset to a maximum rate. The maximum rate is determined based on, among other things, the long-term preferred share rating assigned to the VRDP Shares and the length of time that the VRDP Shares fail to be remarketed. At the date of issuance, the VRDP Shares were assigned a long-term rating of Aaa from Moody's and AAA from Fitch. In May 2012, Moody's completed a review of its methodology for rating securities issued by registered closed-end funds. As of July 31, 2012, the VRDP Shares were assigned a long-term rating from Moody's under its new methodology as follows:

Rating

MNE Aa2
MZA Aa2
MYC Aa2
MYF Aa1
MYJ Aa2

The short-term ratings on the VRDP Shares are directly related to the short-term ratings of the liquidity provider for such VRDP Shares. Changes in the credit quality of the liquidity provider could cause a change in the short-term credit ratings of the VRDP Shares as rated by Moody's, Fitch and S&P. A change in the short-term credit rating of the liquidity provider or the VRDP Shares may adversely affect the dividend rate paid on such shares, although the dividend rate paid on the VRDP Shares is not directly related based upon either short-term rating. As of July 31, 2012, the short-term ratings of MNE's liquidity provider and VRDP Shares were P-2/F-1 and P-2/ F-1 as rated by Moody's, Fitch and/or S&P respectively, which is within the two highest rating categories. The liquidity provider may be terminated prior to the scheduled termination date if the liquidity provider fails to maintain short-term debt ratings in one of the two highest rating categories.

For financial reporting purposes, VRDP Shares are considered debt of the issuer; therefore, the liquidation value, which approximates fair value, of VRDP Shares is recorded as a liability in the Statements of Assets and Liabilities. Unpaid dividends are included in interest expense and fees payable in the Statements of Assets and Liabilities, and the dividends accrued and paid on the VRDP Shares are included as a component of interest expense, fees and amortization of offering costs in the Statements of Operations. VRDP Shares are treated as equity for tax purposes. Dividends paid to holders of VRDP Shares are generally classified as tax-exempt income for tax-reporting purposes.

Notes to Financial Statements (continued)

On June 21, 2012, MZA, MYC, MYF and MYJ announced a special rate period for a three-year term ending June 24, 2015 with respect to their VRDP Shares. The liquidity and fee agreements remain in effect for the duration of the special rate period; however, the VRDP Shares will not be remarketed or subject to optional or mandatory tender events during such time. During the special rate period, MZA, MYC, MYF and MYJ are required to maintain the same asset coverage, basic maintenance amount and leverage requirements for the VRDP Shares. MZA, MYC, MYF and MYJ will not pay any liquidity and remarketing fees during the special rate period and instead will pay dividends monthly based on the sum of the Securities Industry and Financial Markets Association (“SIFMA”) Municipal Swap Index and a percentage per annum based on the long-term ratings assigned to the VRDP Shares. The short-term ratings were withdrawn by Moody’s, Fitch and/or S&P. Short-term ratings may be re-assigned upon the termination of the special rate period when the VRDP Shares revert back to remarketable securities.

If MZA, MYC, MYF and MYJ redeem their VRDP Shares on a date that is one year or more before the end of the special rate period and the VRDP Shares are rated above A1/A by Moody’s and Fitch respectively, then such redemption is subject to a redemption premium based on the time remaining in the special rate period, subject to certain exceptions for redemptions that are required to maintain minimum asset coverage requirements. After June 24, 2015, the holder of the VRDP Shares and MZA, MYC, MYF and MYJ may mutually agree to extend the special rate period. If the special rate period is not extended, the VRDP Shares will revert back to remarketable securities and will be remarketed and available for purchase by qualified institutional investors.

The VRDP Funds may incur remarketing fees of 0.10% on the aggregate principal amount of all VRDP Shares, which, if any, are included in remarketing fees on Preferred Shares in the Statements of Operations. All of the remarketable VRDP Shares have successfully remarketed since issuance.

The annualized dividend rates for the VRDP Shares for the year ended July 31, 2012 were as follows:

| Rate |
|------------------------|
| MNE ¹ 0.33% |
| MZA 0.39% |
| MYC 0.37% |
| MYF 0.39% |
| MYJ 0.39% |

¹Period September 15, 2011 through July 31, 2012

VRDP Shares for MZA, MYC, MYF and MYJ issued and outstanding remained constant for the year ended July 31, 2012.

AMPS

The AMPS are redeemable at the option of MNE, in whole or in part, on any dividend payment date at their liquidation preference per share plus any accumulated and unpaid dividends whether or not declared. The AMPS are also subject to mandatory redemption at their liquidation preference plus any accumulated and unpaid dividends, whether or not declared, if certain requirements relating to the composition of the assets and liabilities of a Fund, as set forth in the Fund’s Articles Supplementary/Certificate of Designation (the “Governing Instrument”) are not satisfied.

Dividends on seven-day AMPS are cumulative at a rate, which is reset every seven days based on the results of an auction. If the AMPS fail to clear the auction on an auction date, MNE is required to pay the maximum applicable rate on the AMPS to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on the AMPS is as footnoted in the table below. The low, high and average dividend rates on the AMPS for the Fund for the period were as follows:

| | Series | Low | High | Average |
|-------------------|---------------|------------|-------------|----------------|
| MNEF ¹ | | 1.26% | 1.38% | 1.32% |

¹The maximum applicable rate on this series of AMPS is the higher of 110% plus or time (i) the Telerate/BBA LIBOR or (ii) 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate. Since February 13, 2008, the AMPS of MNE failed to clear any of their auctions. As a result, the AMPS dividend rates were reset to the maximum applicable rate, which ranged from 1.26% to 1.38% during the year ended July 31, 2012. A failed auction is not an event of default for MNE but it has a negative impact on the liquidity of AMPS. A failed auction occurs when there are more sellers of a fund's AMPS than buyers. A successful auction for the Fund's AMPS may not occur for some time, if ever, and even if liquidity does resume, holders of AMPS may not have the ability to sell the AMPS at their liquidation preference.

MNE paid commissions of 0.15% on the aggregate principal amount of all shares that fail to clear their auctions and 0.25% on the aggregate principal amount of all shares that successfully clear their auctions. Certain broker dealers have individually agreed to reduce commissions for failed auctions.

The commissions paid to these broker dealers are included in remarketing fees on Preferred Shares in the Statements of Operations.

During the year ended July 31, 2012, MNE announced the following redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

| | Redemption | Shares | Aggregate |
|---------------|-------------------|-----------------|------------------|
| Series | Date | Redeemed | Principal |
| MNEF | 10/03/11 | 1,185 | \$29,625,000 |

AMPS issued and outstanding remained constant during the year ended July 31, 2011 for MNE.

MNE financed the AMPS redemptions with the proceeds received from the issuance of VRDP Shares of \$29,600,000 and the cash received from TOB transactions.

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Notes to Financial Statements (concluded)

During the year ended July 31, 2011, certain Funds announced the following redemptions of AMPS at a price of \$25,000 per share plus any accrued and unpaid dividends through the redemption date:

| Series | Redemption Date | Shares Redeemed | Aggregate Principal |
|--------|-----------------|-----------------|---------------------|
| MZA A | 6/09/11 | 499 | \$12,475,000 |
| B | 6/14/11 | 668 | \$16,700,000 |
| C | 6/06/11 | 385 | \$ 9,625,000 |
| MYCA | 6/09/11 | 1,453 | \$36,325,000 |
| B | 6/02/11 | 1,453 | \$36,325,000 |
| C | 6/30/11 | 484 | \$12,100,000 |
| D | 6/07/11 | 848 | \$21,200,000 |
| MYF A | 6/02/11 | 1,189 | \$29,725,000 |
| B | 6/10/11 | 865 | \$21,625,000 |
| C | 6/08/11 | 325 | \$ 8,125,000 |
| MYJ A | 4/25/11 | 2,061 | \$51,525,000 |
| B | 4/25/11 | 1,288 | \$32,200,000 |
| C | 4/25/11 | 739 | \$18,475,000 |

MZA, MYC, MYF and MYJ financed the AMPS redemptions with the proceeds received from the issuance of VRDP Shares and the cash received from TOB transactions.

8. Subsequent Events:

Management's evaluation of the impact of all subsequent events on the Funds' financial statements was completed through the date the financial statements were issued and the following items were noted:

Each Fund paid a net investment income dividend on September 4, 2012 to Common Shareholders of record on August 15, 2012 as follows:

| Common Dividend Per Share |
|---------------------------|
| MNE \$0.0625 |
| MZA \$0.0695 |
| MYC \$0.0790 |
| MYF \$0.0790 |
| MYJ \$0.0740 |

Additionally, the Funds declared a net investment income dividend on September 4, 2012 payable to Common Shareholders of record on September 14, 2012 for the same amounts noted above.

The dividends declared on VRDP Shares for the period August 1, 2012 to August 31, 2012 were as follows:

Dividends

Declared

MNE \$ 9,058

MZA \$ 37,789

MYC \$107,289

MYF \$ 60,179

MYJ \$103,540

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Trustees of BlackRock MuniYield Investment Fund and to the Shareholders and Board of Directors of BlackRock Muni New York Intermediate Duration Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., and BlackRock MuniYield New Jersey Fund, Inc.:

We have audited the accompanying statements of assets and liabilities of BlackRock Muni New York Intermediate Duration Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., BlackRock MuniYield Investment Fund and BlackRock MuniYield New Jersey Fund, Inc. (collectively the “Funds”), including the schedules of investments, as of July 31, 2012, and the related statements of operations for the year then ended, the statements of cash flows for the year then ended, the statements of changes in net assets for the each of the two years in the period then ended, and the financial highlights for each of the periods presented. These financial statements and financial highlights are the responsibility of the Funds’ management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Funds are not required to have, nor were we engaged to perform, an audit of their internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds’ internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of July 31, 2012, by correspondence with the custodians and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of BlackRock Muni New York Intermediate Duration Fund, Inc., BlackRock MuniYield Arizona Fund, Inc., BlackRock MuniYield California Fund, Inc., BlackRock MuniYield Investment Fund and BlackRock MuniYield New Jersey Fund, Inc., as of July 31, 2012, the results of their operations for the year then ended, the cash flows for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche LLP
 Boston, Massachusetts
 September 26, 2012

Important Tax Information (Unaudited)

All of the distributions paid by the Funds during the fiscal year ended July 31, 2012 qualify as tax-exempt interest dividends for federal income tax purposes except for the following:

| MYJ | Payable Date Ordinary Income¹ | |
|---------------------|---|------------|
| Common Shareholders | 12/30/11 | \$0.013674 |

VRDP Preferred Shareholders 1/03/12 \$2.040117

Additionally, all ordinary income distributions are comprised of interest related dividends and qualified short-term capital gains for non-US residents and are eligible for exemption from US withholding tax for nonresident aliens and foreign corporations.

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Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements

The Board of Directors or Trustees, as applicable, (each, a “Board,” collectively, the “Boards,” and the members of which are referred to as “Board Members”) of BlackRock Muni New York Intermediate Duration Fund, Inc. (“MNE”), BlackRock MuniYield Arizona Fund, Inc. (“MZA”), BlackRock MuniYield California Fund, Inc. (“MYC”), BlackRock MuniYield Investment Fund (“MYF”) and BlackRock MuniYield New Jersey Fund, Inc., (“MYJ” and together with MNE, MZA, MYC and MYF, each a “Fund,” and, collectively, the “Funds”) met on April 26, 2012 and May 22-23, 2012 to consider the approval of each Fund’s investment advisory agreement (each, an “Advisory Agreement”) with BlackRock Advisors, LLC (the “Manager”), each Fund’s investment advisor. The Board of each Fund also considered the approval of the sub-advisory agreement (each, a “Sub-Advisory Agreement”) among the Manager, BlackRock Investment Management, LLC (the “Sub-Advisor”), and its Fund. The Manager and the Sub-Advisor are referred to herein as “BlackRock.” The Advisory Agreements and the Sub-Advisory Agreements are referred to herein as the “Agreements.”

Activities and Composition of the Board

Each Board consists of eleven individuals, nine of whom are not “interested persons” of such Fund as defined in the Investment Company Act of 1940 (the “1940 Act”) (the “Independent Board Members”). The Board Members are responsible for the oversight of the operations of the Funds and perform the various duties imposed on the directors of investment companies by the 1940 Act. The Independent Board Members have retained independent legal counsel to assist them in connection with their duties. The Chairman of the Board is an Independent Board Member. Each Board has established six standing committees: an Audit Committee, a Governance and Nominating Committee, a Compliance Committee, a Performance Oversight Committee, an Executive Committee, and a Leverage Committee, each of which is chaired by an Independent Board Member and composed of Independent Board Members (except for the Executive Committee and the Leverage Committee, each of which also has one interested Board Member).

The Agreements

Pursuant to the 1940 Act, the Boards are required to consider the continuation of the Agreements on an annual basis. The Boards have four quarterly meetings per year, each extending over two days, and a fifth meeting to consider specific information surrounding the consideration of renewing the Agreements. In connection with this process, the Boards assessed, among other things, the nature, scope and quality of the services provided to the Funds by BlackRock, its personnel and its affiliates, including investment management, administrative and shareholder services, oversight of fund accounting and custody, marketing services, risk oversight, compliance and assistance in meeting applicable legal and regulatory requirements.

The Boards, acting directly and through their respective committees, considered at each of their meetings, and from time to time as appropriate, factors that are relevant to their annual consideration of the renewal of the Agreements, including the services and support provided by BlackRock to the Funds and their shareholders. Among the matters the Boards considered were: (a) investment performance for one-, three- and five-year periods, as applicable, against peer funds, and applicable benchmarks, if any, as well as senior management’s and portfolio managers’ analysis of the reasons for any over performance or underperformance against their peers and/or benchmark, as applicable; (b) fees, including advisory, administration, if applicable, and other amounts paid to BlackRock and its affiliates by the Funds for services such as call center and fund accounting; (c) Fund operating expenses and how BlackRock allocates expenses to the Funds; (d) the resources devoted to, risk oversight of, and compliance reports relating to, implementation of the Funds’ investment objectives, policies and restrictions; (e) the Funds’ compliance with their Code of Ethics and other compliance policies and procedures; (f) the nature, cost and character of non-investment management services provided by BlackRock and its affiliates; (g) BlackRock’s and other service providers’ internal controls and risk and compliance oversight mechanisms; (h) BlackRock’s implementation of the proxy voting policies approved by the Boards; (i) execution quality of portfolio transactions; (j) BlackRock’s implementation of the Funds’ valuation and liquidity procedures; (k) an analysis of management fees ratios for products with similar investment

objectives across the open-end fund, closed-end fund and institutional account product channels, as applicable; (l) BlackRock's compensation methodology for its investment professionals and the incentives it creates; and (m) periodic updates on BlackRock's business.

The Boards have engaged in an ongoing strategic review with BlackRock of opportunities to consolidate funds and of BlackRock's commitment to investment performance. In addition, the Boards requested, to the extent reasonably possible, an analysis of the risk and return relative to selected funds in peer groups. BlackRock provides information to the Boards in response to specific questions. These questions covered issues such as profitability, including the impact of BlackRock's upfront costs in sponsoring closed-end funds and the relative profitability of closed-end and open end funds, investment performance and management fee levels. The Boards considered the importance of: (i) managing fixed income assets with a view toward preservation of capital; (ii) portfolio managers' investments in the funds they manage; (iii) BlackRock's controls surrounding the coding of quantitative investment models; and (iv) BlackRock's oversight of relationships with third party service providers.

The Boards considered BlackRock's efforts during the past year with regard to refinancing outstanding AMPS, as well as ongoing time and resources devoted to other forms of preferred shares and alternative leverage. As of the date of this report, the Funds have redeemed 100% of their outstanding AMPS.

Board Considerations in Approving the Agreements

The Approval Process: Prior to the April 26, 2012 meeting, the Boards requested and received materials specifically relating to the Agreements. The Boards are engaged in a process with its independent legal counsel and BlackRock to review periodically the nature and scope of the information provided to better assist their deliberations. The materials provided in connection with the April meeting included (a) information independently compiled and prepared by Lipper, Inc. ("Lipper") on Fund fees and expenses and the investment performance of the Funds as compared with a peer group of funds as determined by Lipper and, where applicable, a customized peer group selected by BlackRock (collectively,

Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

“Peers”); (b) information on the profitability of the Agreements to BlackRock and a discussion of fall-out benefits to BlackRock and its affiliates; (c) a general analysis provided by BlackRock concerning investment management fees (a combination of the advisory fee and the administration fee, if any) charged to other clients, such as institutional clients and open-end funds, under similar investment mandates, as applicable; (d) the existence, impact and sharing of potential economies of scale; (e) a summary of aggregate amounts paid by each Fund to BlackRock and (f) if applicable, a comparison of management fees to similar BlackRock closed-end funds, as classified by Lipper.

At an in-person meeting held on April 26, 2012, the Boards reviewed materials relating to their consideration of the Agreements. As a result of the discussions that occurred during the April 26, 2012 meeting, and as a culmination of the Boards’ year-long deliberative process, the Boards presented BlackRock with questions and requests for additional information. BlackRock responded to these requests with additional written information in advance of the May 22-23, 2012 Board meeting.

At an in-person meeting held on May 22-23, 2012, each Board, including all the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund, each for a one-year term ending June 30, 2013. In approving the continuation of the Agreements, the Boards considered: (a) the nature, extent and quality of the services provided by BlackRock; (b) the investment performance of the Funds and BlackRock; (c) the advisory fee and the cost of the services and profits to be realized by BlackRock and its affiliates from their relationship with the Funds; (d) economies of scale; (e) fall-out benefits to BlackRock as a result of its relationship with the Funds; and (f) other factors deemed relevant by the Board Members.

The Boards also considered other matters they deemed important to the approval process, such as payments made to BlackRock or its affiliates relating to securities lending, services related to the valuation and pricing of Fund portfolio holdings, direct and indirect benefits to BlackRock and its affiliates from their relationship with the Funds and advice from independent legal counsel with respect to the review process and materials submitted for the Boards’ review. The Boards noted the willingness of BlackRock personnel to engage in open, candid discussions with the Boards. The Boards did not identify any particular information as controlling, and each Board Member may have attributed different weights to the various items considered.

A. Nature, Extent and Quality of the Services Provided by BlackRock: The Boards, including the Independent Board Members, reviewed the nature, extent and quality of services provided by BlackRock, including the investment advisory services and the resulting performance of the Funds. Throughout the year, the Boards compared Fund performance to the performance of a comparable group of closed-end funds and/or the performance of a relevant benchmark, if any. The Boards met with BlackRock’s senior management personnel responsible for investment operations, including the senior investment officers. Each Board also reviewed the materials provided by its Fund’s portfolio management team discussing Fund performance and the Fund’s investment objective, strategies and outlook.

The Boards considered, among other factors, the number, education and experience of BlackRock’s investment personnel generally and their Funds’ portfolio management teams, investments by portfolio managers in the funds they manage, BlackRock’s portfolio trading capabilities, BlackRock’s use of technology, BlackRock’s commitment to compliance, BlackRock’s credit analysis capabilities, BlackRock’s risk analysis and oversight capabilities and BlackRock’s approach to training and retaining portfolio managers and other research, advisory and management personnel. The Boards engaged in a review of BlackRock’s compensation structure with respect to their Funds’ portfolio management teams and BlackRock’s ability to attract and retain high-quality talent and create performance incentives.

In addition to advisory services, the Boards considered the quality of the administrative and non-investment advisory services provided to the Funds. BlackRock and its affiliates provide the Funds with certain services (in addition to any such services provided to the Funds by third parties) and officers and other personnel as are necessary for the operations of the Funds. In particular, BlackRock and its affiliates provide the Funds with the following administrative services including, among others: (i) preparing disclosure documents, such as the prospectus and the statement of additional information in connection with the initial public offering and periodic shareholder reports; (ii) preparing communications with analysts to support secondary market trading of the Funds; (iii) assisting with daily accounting and pricing; (iv) preparing periodic filings with regulators and stock exchanges; (v) overseeing and coordinating the activities of other service providers; (vi) organizing Board meetings and preparing the materials for such Board meetings; (vii) providing legal and compliance support; and (viii) performing other administrative functions necessary for the operation of the Funds, such as tax reporting, fulfilling regulatory filing requirements and call center services. The Boards reviewed the structure and duties of BlackRock's fund administration, accounting, legal and compliance departments and considered BlackRock's policies and procedures for assuring compliance with applicable laws and regulations.

B. The Investment Performance of the Funds and BlackRock: The Boards, including the Independent Board Members, also reviewed and considered the performance history of their Funds. In preparation for the April 26, 2012 meeting, the Boards worked with its independent legal counsel, BlackRock and Lipper to develop a template for, and was provided with reports independently prepared by Lipper, which included a comprehensive analysis of each Fund's performance. The Boards also reviewed a narrative and statistical analysis of the Lipper data that was prepared by BlackRock, which analyzed various factors that affect Lipper's rankings. In connection with their review, each Board received and reviewed information regarding the investment performance, based on net asset value (NAV), of its Fund as compared to funds in that Fund's applicable Lipper category and, where applicable, the customized peer group selected by BlackRock. The Boards were provided with a description of the methodology used by Lipper to select peer funds and periodically meets with Lipper representatives to review their methodology. Each Board and its Performance Oversight Committee regularly review, and meet with Fund management to discuss, the performance of its Fund throughout the year.

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Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (continued)

The Board of MNE noted that, in general, MNE performed better than its Peers in that MNE's performance was at or above the median of its Lipper Performance Universe Composite in two of the one-, three- and five-year periods reported. Based on its discussions with BlackRock and the Board's review of MNE's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of MNE noted that MNE's investment performance as compared to its Lipper Performance Universe Composite provided a more meaningful comparison of MNE's relative performance. The composite performance metric is a measurement blend of total return and yield.

The Board of MYJ noted that, in general, MYJ performed better than its Peers in that MYJ's performance was at or above the median of its Customized Lipper Peer Group Composite in two of the one-, three- and five-year periods reported. Based on its discussions with BlackRock and the Board's review of MYJ's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of MYJ noted that MYJ's investment performance as compared to its Customized Lipper Peer Group Composite provided a more meaningful comparison of MYJ's relative performance. The composite performance metric is a measurement blend of total return and yield.

The Board of MZA noted that, in general, MZA performed better than its Peers in that MZA's performance was at or above the median of its Customized Lipper Peer Group Composite in each of the one-, three- and five-year periods reported. Based on its discussions with BlackRock and the Board's review of MZA's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of MZA noted that MZA's investment performance as compared to its Customized Lipper Peer Group Composite provided a more meaningful comparison of MZA's relative performance. The composite performance metric is a measurement blend of total return and yield.

The Board of MYC noted that MYC performed below the median of its Customized Lipper Peer Group Composite in the one- and three-year periods reported, but that MYC performed at or above the median of its Customized Lipper Peer Group Composite in the five-year period reported. Based on its discussions with BlackRock and the Board's review of MYC's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, the Board of MYC noted that MYC's investment performance as compared to its Customized Lipper Peer Group Composite provided a more meaningful comparison of MYC's relative performance. The composite performance metric is a measurement blend of total return and yield. The Board of MYC and BlackRock reviewed and discussed the reasons for MYC's underperformance during the one- and three-year periods compared with its Peers. MYC's Board was informed that, among other things, MYC's underperformance for the one- and three-year periods mainly stems from a below market dividend distribution rate. The relatively high degree of credit quality in MYC is additive to performance during episodes of credit concern, but at times when spreads are tightening, MYC is put in a defensive posture with respect to credit. A more defensive credit stance hindered MYC's ability to generate a higher income accrual compared to portfolios that take more credit risk (lower rated credits generally deliver higher yields). By prospectus limitation, MYC is prohibited from investing in non-investment grade paper.

MYC's Board and BlackRock discussed BlackRock's strategy for improving MYC's performance and BlackRock's commitment to providing the resources necessary to assist MYC's portfolio managers and to improve the MYC's performance.

The Board of MYF noted that MYF performed below the median of its Customized Lipper Peer Group Composite in the three- and five-year periods reported, but that MYF performed at or above the median of its Customized Lipper

Peer Group Composite in the one-year period reported. Based on its discussions with BlackRock and the Board's review of MYF's investment performance compared to its Lipper Peer Group, the methodology used by Lipper to select peer funds, and other relevant information provided by BlackRock, MYF's Board noted that MYF's investment performance as compared to its Customized Lipper Peer Group Composite provided a more meaningful comparison of MYF's relative performance. The composite performance metric is a measurement blend of total return and yield. The Board of MYF and BlackRock reviewed and discussed the reasons for MYF's underperformance during the three- and five-year periods compared with its Peers. Prior to 2008, MYF had a non-fundamental investment policy of investing substantially all of its total assets in Florida municipal bonds. Although due to the repeal of the Florida Intangibles Personal Property Tax, this investment policy was amended in 2008 to allow MYF the flexibility to invest in municipal obligations regardless of geographic location. MYF's Board was informed that, among other things, the task of reallocating roughly 90% of MYFs' holdings in order to reflect a general market profile became all the more challenging amidst poor liquidity and a significant widening of credit spreads. In terms of the portion of MYF's portfolio that continues to be invested in Florida municipal bonds, Florida paper suffered disproportionately as traditional sources of demand dried up after the elimination of the state's intangible tax. While performance with respect to MYF's total return has improved on a year-to-date basis, its distribution yield ranking remains challenged.

MYF's Board and BlackRock discussed BlackRock's strategy for improving MYF's performance and BlackRock's commitment to providing the resources necessary to assist MYF's portfolio managers and to improve MYF's performance, in part through the repositioning of MYF's portfolio.

C. Consideration of the Advisory/Management Fees and the Cost of the Services and Profits to be Realized by BlackRock and its Affiliates from their Relationship with the Funds: Each Board, including the Independent Board Members, reviewed its Fund's contractual management fee rate compared with the other funds in its Lipper category. It also compared the Fund's total expense ratio, as well as actual management fee rate, to those of other funds in its Lipper category. The Boards considered the services provided and the fees charged by BlackRock to other types of clients with similar investment mandates, including separately managed institutional accounts.

The Boards received and reviewed statements relating to BlackRock's financial condition and profitability with respect to the services it provided the Funds. The Boards were also provided with a profitability analysis that

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Disclosure of Investment Advisory Agreements and Sub-Advisory Agreements (concluded)

detailed the revenues earned and the expenses incurred by BlackRock for services provided to the Funds. The Boards reviewed BlackRock's profitability with respect to the Funds and other funds the Boards currently oversee for the year ended December 31, 2011 compared to available aggregate profitability data provided for the years ended December 31, 2010, and December 31, 2009. The Boards reviewed BlackRock's profitability with respect to other fund complexes managed by the Manager and/or its affiliates. The Boards reviewed BlackRock's assumptions and methodology of allocating expenses in the profitability analysis, noting the inherent limitations in allocating costs among various advisory products. The Boards recognized that profitability may be affected by numerous factors including, among other things, fee waivers and expense reimbursements by the Manager, the types of funds managed, expense allocations and business mix, and the difficulty of comparing profitability as a result of those factors.

The Boards noted that, in general, individual fund or product line profitability of other advisors is not publicly available. The Boards considered BlackRock's overall operating margin, in general, compared to the operating margin for leading investment management firms whose operations include advising closed-end funds, among other product types. In addition, the Boards considered, among other things, certain third party data comparing BlackRock's operating margin with that of other publicly-traded asset management firms. The Boards considered the differences between BlackRock and these other firms, including the contribution of technology at BlackRock, BlackRock's expense management, and the relative product mix.

In addition, the Boards considered the cost of the services provided to the Funds by BlackRock, and BlackRock's and its affiliates' profits relating to the management of the Funds and the other funds advised by BlackRock and its affiliates. As part of its analysis, the Boards reviewed BlackRock's methodology in allocating its costs to the management of the Funds. The Boards also considered whether BlackRock has the financial resources necessary to attract and retain high quality investment management personnel to perform its obligations under the Agreements and to continue to provide the high quality of services that is expected by the Boards.

The Board of each of MNE, MZA, MYC, MYF and MYJ noted that its respective Fund's contractual management fee ratio (a combination of the advisory fee and the administration fee, if any) was lower than or equal to the median contractual management fee ratio paid by the Fund's Peers, in each case before taking into account any expense reimbursements or fee waivers.

D. Economies of Scale: Each Board, including the Independent Board Members, considered the extent to which economies of scale might be realized as the assets of its Fund increase. Each Board also considered the extent to which its Fund benefits from such economies and whether there should be changes in the advisory fee rate or structure in order to enable the Fund to participate in these economies of scale, for example through the use of breakpoints in the advisory fee based upon the asset level of the Fund.

Based on the Boards' review and consideration of the issue, the Boards concluded that most closed-end funds do not have fund level breakpoints because closed-end funds generally do not experience substantial growth after the initial public offering. They are typically priced at scale at a fund's inception. The Boards noted that only one closed-end fund in the Fund Complex has breakpoints in its advisory fee structure.

E. Other Factors Deemed Relevant by the Board Members: The Boards, including the Independent Board Members, also took into account other ancillary or "fall-out" benefits that BlackRock or its affiliates may derive from their respective relationships with the Funds, both tangible and intangible, such as BlackRock's ability to leverage its investment professionals who manage other portfolios and risk management personnel, an increase in BlackRock's profile in the investment advisory community, and the engagement of BlackRock's affiliates as service providers to the

Funds, including securities lending and cash management services. The Boards also considered BlackRock's overall operations and its efforts to expand the scale of, and improve the quality of, its operations. The Boards also noted that BlackRock may use and benefit from third party research obtained by soft dollars generated by certain registered fund transactions to assist in managing all or a number of its other client accounts. The Boards further noted that they had considered the investment by BlackRock's funds in exchange traded funds (i.e., ETFs) without any offset against the management fees payable by the funds to BlackRock.

In connection with its consideration of the Agreements, the Boards also received information regarding BlackRock's brokerage and soft dollar practices. The Boards received reports from BlackRock which included information on brokerage commissions and trade execution practices throughout the year.

The Boards noted the competitive nature of the closed-end fund marketplace, and that shareholders are able to sell their Fund shares in the secondary market if they believe that the Fund's fees and expenses are too high or if they are dissatisfied with the performance of the Fund.

Conclusion

Each Board, including all the Independent Board Members, unanimously approved the continuation of the Advisory Agreement between the Manager and its Fund for a one-year term ending June 30, 2013, and the Sub-Advisory Agreement among the Manager, the Sub-Advisor, and its Fund for a one-year term ending June 30, 2013. Based upon its evaluation of all of the aforementioned factors in their totality, the Boards, including the Independent Board Members, were satisfied that the terms of the Agreements were fair and reasonable and in the best interest of the Funds and their shareholders. In arriving at their decision to approve the Agreements, the Boards did not identify any single factor or group of factors as all-important or controlling, but considered all factors together, and different Board Members may have attributed different weights to the various factors considered. The Independent Board Members were also assisted by the advice of independent legal counsel in making these determinations. The contractual fee arrangements for the Funds reflect the results of several years of review by the Board Members and predecessor Board Members, and discussions between such Board Members (and predecessor Board Members) and BlackRock. As a result, the Board Members' conclusions may be based in part on their consideration of these arrangements in prior years.

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Automatic Dividend Reinvestment Plans

Pursuant to each Fund's Dividend Reinvestment Plan (the "Reinvestment Plan"), Common Shareholders are automatically enrolled to have all distributions of dividends and capital gains reinvested by Computershare Shareowner Services LLC for MZA, MYC, MYF and MYJ and Computershare Trust Company, N.A. for MNE (the "Reinvestment Plan Agent" or together, the "Reinvestment Plan Agents") in the respective Fund's shares pursuant to the Reinvestment Plan. Shareholders who do not participate in the Reinvestment Plan will receive all distributions in cash paid by check and mailed directly to the shareholders of record (or if the shares are held in street name or other nominee name, then to the nominee) by the Reinvestment Plan Agent, which serves as agent for the shareholders in administering the Reinvestment Plan.

After the Funds declare a dividend or determine to make a capital gain distribution, the Reinvestment Plan Agents will acquire shares for the participants' accounts, depending upon the following circumstances, either (i) through receipt of unissued but authorized shares from the Funds ("newly issued shares") or (ii) by purchase of outstanding shares on the open market or on the Fund's primary exchange ("open-market purchases"). If, on the dividend payment date, the net asset value per share ("NAV") is equal to or less than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market premium"), the Reinvestment Plan Agent will invest the dividend amount in newly issued shares acquired on behalf of the participants. The number of newly issued shares to be credited to each participant's account will be determined by dividing the dollar amount of the dividend by the NAV on the date the shares are issued. However, if the NAV is less than 95% of the market price on the dividend payment date, the dollar amount of the dividend will be divided by 95% of the market price on the dividend payment date. If, on the dividend payment date, the NAV is greater than the market price per share plus estimated brokerage commissions (such condition often referred to as a "market discount"), the Reinvestment Plan Agent will invest the dividend amount in shares acquired on behalf of the participants in open-market purchases. If the Reinvestment Plan Agent is unable to invest the full dividend amount in open-market purchases, or if the market discount shifts to a market premium during the purchase period, the Reinvestment Plan Agent will invest any un-invested portion in newly issued shares. Investments in newly issued shares made in this manner would be made pursuant to the same process described above and the date of issue for such newly issued shares will substitute for the dividend payment date.

Participation in the Reinvestment Plan is completely voluntary and may be terminated or resumed at any time without penalty by notice if received and processed by the Reinvestment Plan Agent prior to the dividend record date. Additionally, the Reinvestment Plan Agent seeks to process notices received after the record date but prior to the payable date and such notices often will become effective by the payable date. Where late notices are not processed by the applicable payable date, such termination or resumption will be effective with respect to any subsequently declared dividend or other distribution.

The Reinvestment Plan Agent's fees for the handling of the reinvestment of dividends and distributions will be paid by each Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Reinvestment Plan Agent's open market purchases in connection with the reinvestment of dividends and distributions. The automatic reinvestment of dividends and distributions will not relieve participants of any federal income tax that may be payable on such dividends or distributions.

Each Fund reserves the right to amend or terminate the Reinvestment Plan. There is no direct service charge to participants in the Reinvestment Plan. However, each Fund reserves the right to amend the Reinvestment Plan to include a service charge payable by the participants. Participants in MNE that request a sale of shares are subject to a \$2.50 sales fee and a \$0.15 per share fee. Per share fees include any applicable brokerage commissions the Reinvestment Plan Agent is required to pay. Participants in MZA, MYC, MYF and MYJ that request a sale of shares are subject to a \$0.02 per share sold brokerage commission. All correspondence concerning the Reinvestment Plan

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should be directed to Computershare Shareowner Services LLC, P.O. Box 358035, Pittsburgh, PA 15252-8035, Telephone: (866) 216-0242 for shareholders of MZA, MYC, MYF and MYJ. For shareholders of MNE, contact Computershare Trust Company, N.A., through the internet at www.computershare.com/investor, or in writing to Computershare, P.O. Box 43078, Providence, RI 02940-3078, Telephone: (800) 699-1236. Overnight correspondence should be directed to the Reinvestment Plan Agent at 250 Royall Street, Canton, MA 02021.

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Officers and Directors

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock Advised Registered Investment Companies (“RICs”) Consisting of Investment Portfolios (“Portfolios”) Overseen |
|--|--|--|--|--|
| Independent Directors ¹ | | | | |
| Richard E. Cavanagh 55 East 52nd Street New York, NY 10055 1946 | Chairman of the Board and Director | Since 2007 | Trustee, Aircraft Finance Trust from 1999 to 2009; Director, The Guardian Life Insurance Company of America since 1998; Director, Arch Chemical (chemical and allied products) from 1999 to 2011; Trustee, Educational Testing Service from 1997 to 2009 and Chairman thereof from 2005 to 2009; Senior Advisor, The Fremont Group since 2008 and Director thereof since 1996; Adjunct Lecturer, Harvard University since 2007; President and Chief Executive Officer, The Conference Board, Inc. (global business research organization) from 1995 to 2007. | 98 RICs consisting of 9 Portfolios |
| Karen P. Robards 55 East 52nd Street New York, NY 10055 1950 | Vice Chairperson of the Board, Chairperson of the Audit Committee and Director | Since 2007 | Partner of Robards & Company, LLC (financial advisory firm) since 1987; Co-founder and Director of the Cooke Center for Learning and Development (a not-for-profit organization) since 1987; Director of Care Investment Trust, Inc. (health care real estate investment trust) from 2007 to 2010; Investment Banker at Morgan Stanley from 1976 to 1987. | 98 RICs consisting of 9 Portfolios |
| Michael J. Castellano 55 East 52nd Street New York, NY 10055 1946 | Director and Member of the Audit Committee | Since 2011 | Managing Director and Chief Financial Officer of Lazard Group LLC from 2001 to 2011; Chief Financial Officer of Lazard Ltd from 2004 to 2011; Director, Support Our Aging Religious (non-profit) since 2009; Director, National Advisory Board of Church Management at Villanova University since 2010. | 98 RICs consisting of 9 Portfolios |
| Frank J. Fabozzi 55 East 52nd Street New York, NY 10055 1948 | Director and Member of the Audit Committee | Since 2007 | Editor of and Consultant for The Journal of Portfolio Management since 1986; Professor of Finance, EDHEC Business School since 2011; Professor in the Practice of Finance and Becton Fellow, Yale University School of Management from 2006 to 2011; Adjunct Professor of Finance and Becton Fellow, Yale University from 1994 to 2006. | 98 RICs consisting of 9 Portfolios |

| | | | | | |
|------------------------------|--|---|---------------|--|---------------------------------------|
| Kathleen F. Feldstein | 55 East 52nd Street New York, NY 10055 | Director | Since 2007 | President of Economics Studies, Inc. (private economic consulting firm) since 1987; Chair, Board of Trustees, McLean Hospital from 2000 to 2008 and Director Emeritus thereof since 2008; Member of the Board of Partners Community Healthcare, Inc. from 2005 to 2009; Member of the Corporation of Partners HealthCare since 1995; Trustee, Museum of Fine Arts, Boston since 1992; Member of the Visiting Committee to the Harvard University Art Museum since 2003; Director, Catholic Charities of Boston since 2009. | 98 RICs consisting of 9 Portfolios |
| 1941 | | | | | |
| James T. Flynn | 55 East 52nd Street New York, NY 10055 | Director and Member of the Audit Committee | Since 2007 | Chief Financial Officer of JP Morgan & Co., Inc. from 1990 to 1995. | 98 RICs consisting of 9 Portfolios |
| 1939 | | | | | |
| Jerrold B. Harris | 55 East 52nd Street New York, NY 10055 | Director | Since 2007 | Trustee, Ursinus College since 2000; Director, Troemner LLC (scientific equipment) since 2000; Director of Delta Waterfowl Foundation since 2001; President and Chief Executive Officer, VWR Scientific Products Corporation from 1990 to 1999. | 98 RICs consisting of 9 Portfolios |
| 1942 | | | | | |

Officers and Directors (continued)

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served as a Director ² | Principal Occupation(s) During Past Five Years | Number of BlackRock-Advised Registered Investment Companies (“RICs”) Consisting of Investment Portfolios (“Portfolios”) Overseen |
|---|--|--|--|--|
| Independent Directors ¹ (concluded) | | | | |
| R. Glenn Hubbard 55 East 52nd Street New York, NY 10055 1958 | Director | Since 2007 | Dean, Columbia Business School since 2004; Columbia faculty member since 1988; Co-Director, Columbia Business School’s Entrepreneurship Program from 1997 to 2004; Chairman, U.S. Council of Economic Advisers under the President of the United States from 2001 to 2003; Chairman, Economic Policy Committee of the OECD from 2001 to 2003. | 98 RICs consisting of 94 Portfolios |
| W. Carl Kester 55 East 52nd Street New York, NY 10055 1951 | Director and Member of the Audit Committee | Since 2007 | George Fisher Baker Jr. Professor of Business Administration, Harvard Business School; Deputy Dean for Academic Affairs from 2006 to 2010; Chairman of the Finance Department, Harvard Business School from 2005 to 2006; Senior Associate Dean and Chairman of the MBA Program of Harvard Business School from 1999 to 2005; Member of the faculty of Harvard Business School since 1981. | 98 RICs consisting of 94 Portfolios |

¹ Directors serve until their resignation, removal or death, or until December 31 of the year in which the maximum age limitation may be waived as to any Director by action of a majority of the Directors upon thereof. In 2011, the Board of Directors unanimously approved extending the mandatory retirement age by one additional year, which the Board believes would be in the best interest of shareholders.

² Date shown is the earliest date a person has served for the Funds covered by this annual report. Following the merger of Merrill Lynch Investment Managers, L.P. (“MLIM”) and BlackRock, Inc. (“BlackRock”) in September 2009, MLIM and legacy BlackRock Fund boards were realigned and consolidated into three new fund boards in 2010. Although the chart shows certain Directors as joining the Funds’ board in 2007, each Director first became a Director of other legacy MLIM or legacy BlackRock Funds as follows: Richard E. Cavanagh, 1994; Frank J. Fabozzi, 2005; James T. Flynn, 1996; Jerrold B. Harris, 1999; R. Glenn Hubbard, 2004; W. Carl Kester, 1998; and Robert Robards, 1998.

Interested Directors ³

| | | | | |
|--|----------|------------|--|---------------------------------------|
| Paul L. Audet 55 East 52nd Street New York, NY 10055 | Director | Since 2011 | Senior Managing Director of BlackRock and Head of US Mutual Funds since 2011; Chair of the US Mutual Funds Committee reporting to the Global Executive Committee since 2011; Head of BlackRock’s Real Estate business from 2008 to | 160 RICs consisting of 278 Portfolios |
|--|----------|------------|--|---------------------------------------|

1953

2011; Member of BlackRock’s Global Operating and Corporate Risk Management Committees and of the BlackRock Alternative Investors Executive Committee and Investment Committee for the Private Equity Fund of Funds business since 2008; Head of BlackRock’s Global Cash Management business from 2005 to 2010; Acting Chief Financial Officer of BlackRock from 2007 to 2008; Chief Financial Officer of BlackRock from 1998 to 2005.

Henry Gabbay

55 East 52nd Street
New York, NY
10055

Director

Since
2007

Consultant, BlackRock, from 2007 to 2008; Managing Director, BlackRock, from 1989 to 2007; Chief Administrative Officer, BlackRock Advisors, LLC from 1998 to 2007; President of BlackRock Funds and BlackRock Bond Allocation Target Shares from 2005 to 2007; Treasurer of certain closed-end funds in the BlackRock fund complex from 1989 to 2006.

160 RICs consisting of
278 Portfolios

1947

³ Mr. Audet is an “interested person,” as defined in the 1940 Act, of the Funds based on his position with affiliates. Mr. Gabbay is an “interested person” of the Funds based on his former positions with BlackRock as well as his ownership of BlackRock and The PNC Financial Services Group, Inc. securities. Mr. Audet and Mr. Gabbay are Directors of the BlackRock registered open-end funds. Directors serve until their resignation, removal or expiration on December 31 of the year in which they turn 72. The maximum age limitation may be waived as to any Director by a majority of the Directors upon finding good cause thereof.

Officers and Directors (concluded)

| Name, Address and Year of Birth | Position(s) Held with Funds | Length of Time Served | Principal Occupation(s) During Past Five Years |
|--|---------------------------------------|------------------------------|---|
| Officers¹ | | | |
| John M. Perlowski 55 East 52nd Street New York, NY 10055 1964 | President and Chief Executive Officer | Since 2011 | Managing Director of BlackRock since 2009; Global Head of BlackRock Fund Administration since 2009; Managing Director and Chief Operating Officer of the Global Product Group at Goldman Sachs Asset Management, L.P. from 2003 to 2009; Treasurer of Goldman Sachs Mutual Funds from 2003 to 2009 and Senior Vice President thereof from 2007 to 2009; Director of Goldman Sachs Offshore Funds from 2002 to 2009; Director of Family Resource Network (charitable foundation) since 2009. |
| Anne Ackerley 55 East 52nd Street New York, NY 10055 1962 | Vice President | Since 2007 ² | Managing Director of BlackRock since 2000; Chief Marketing Officer of BlackRock since 2012; President and Chief Executive Officer of the BlackRock-advised funds from 2009 to 2011; Vice President of the BlackRock-advised funds from 2007 to 2009; Chief Operating Officer of BlackRock's Global Client Group since 2009 to 2012; Chief Operating Officer of BlackRock's U.S. Retail Group from 2006 to 2009; Head of BlackRock's Mutual Fund Group from 2000 to 2006. |
| Robert W. Crothers 55 East 52nd Street New York, NY 10055 1981 | Vice President | Since 2012 | Director of BlackRock since 2011; Vice President of BlackRock from 2008 to 2010; Associate of BlackRock from 2006 to 2007. |
| Brendan Kyne 55 East 52nd Street New York, NY 10055 1977 | Vice President | Since 2009 | Managing Director of BlackRock since 2010; Director of BlackRock from 2008 to 2009; Head of Product Development and Management for BlackRock's US Retail Group since 2009, and Co-head thereof from 2007 to 2009; Vice President of BlackRock from 2005 to 2008. |
| Neal Andrews 55 East 52nd Street New York, NY 10055 1966 | Chief Financial Officer | Since 2007 | Managing Director of BlackRock since 2006; Senior Vice President and Line of Business Head of Fund Accounting and Administration at PNC Global Investment Servicing (U.S.) Inc. from 1992 to 2006. |
| Jay Fife 55 East 52nd Street New York, NY 10055 1970 | Treasurer | Since 2007 | Managing Director of BlackRock since 2007, Director of BlackRock in 2006; Assistant Treasurer of the MLIM and Fund Asset Management, L.P. advised funds from 2005 to 2006; Director of MLIM Fund Services Group from 2001 to 2006. |

| | | | |
|---|---|-------------------|--|
| <p>Brian Kindelan 55 East 52nd Street New York, NY 10055</p> <p>1959</p> | <p>Chief Compliance Officer and Anti-Money Laundering Officer</p> | <p>Since 2007</p> | <p>Chief Compliance Officer of the BlackRock-advised funds since 2007; Managing Director and Senior Counsel of BlackRock since 2005.</p> |
| <p>Janey Ahn 55 East 52nd Street New York, NY 10055</p> <p>1975</p> | <p>Secretary</p> | <p>Since 2012</p> | <p>Director of BlackRock since 2009; Vice President of BlackRock from 2008 to 2009; Assistant Secretary of the Funds from 2008 to 2012; Associate at Willkie Farr & Gallagher LLP from 2006 to 2008.</p> |

¹ Officers of the Funds serve at the pleasure of the Boards.

² Ms. Ackerley was President and Chief Executive Officer from 2009 to 2011.

| Investment Advisor | Transfer Agent | VRDP Tender and Paying Agent | VRDP Liquidity Providers | Independent Public Accountants |
|---|--|---|--|--|
| <p>BlackRock Advisors, LLC Wilmington, DE 19809</p> | <p>Common Shares Computershare Trust Company, N.A. Canton, MA 02021</p> | <p>The Bank of New York Mellon New York, NY 10289</p> | <p>Morgan Stanley Bank N.A.³ New York, NY 10056 Citibank, N.A.⁴ New York, NY 10179</p> | <p>Deloitte & Touche Boston, MA 02110</p> |
| Sub-Advisor | Custodians | VRDP Remarketing Agents | Accounting Agent | Legal Counsel |
| <p>BlackRock Investment Management, LLC Princeton, NJ 08540</p> | <p>State Street Bank and Trust Company³ Boston, MA 02110 The Bank of New York Mellon⁴ New York, NY 10286</p> | <p>Morgan Stanley & Co. LLC³ New York, NY 10056 Citigroup Global Markets Inc.⁴ New York, NY 10179</p> | <p>State Street Bank and Trust Company Boston, MA 02110</p> | <p>Skadden, Arps, Meagher & Fierman New York, NY 10036</p> |

³ For MNE.

⁴ For MZA, MYC, MYF and MYJ.

Effective May 22, 2012, Robert W. Crothers became Vice President of the Funds.

Effective May 22, 2012, Ira P. Shapiro resigned as Secretary of the Funds and Janey Ahn became Secretary of the Funds.

Additional Information

Proxy Results

The Annual Meeting of Shareholders was held on July 27, 2012 for shareholders of record on May 31, 2012 to elect director nominees for each Fund.

There were no broker non-votes with regard to any of the Funds.

| | Paul L. Audet | | | Michael J. Castellano | | | Richard E. Cavanagh | | |
|-----|-------------------------------------|-----------------------|----------------|------------------------------|-----------------------|----------------|----------------------------|-----------------------|----------------|
| | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain |
| MNE | 3,858,109 | 234,626 | 0 | 3,858,109 | 234,626 | 0 | 3,858,109 | 234,626 | 0 |
| MZA | 4,207,201 | 106,179 | 0 | 4,206,285 | 107,095 | 0 | 4,205,166 | 108,215 | 0 |
| MYC | 20,188,740 | 477,698 | 0 | 20,160,654 | 505,784 | 0 | 20,239,330 | 427,108 | 0 |
| MYF | 12,739,059 | 235,141 | 0 | 12,738,109 | 236,091 | 0 | 12,738,565 | 235,635 | 0 |
| MYJ | 13,622,227 | 213,772 | 0 | 13,627,044 | 208,955 | 0 | 13,624,465 | 211,534 | 0 |
| | Frank J. Fabozzi¹ | | | Kathleen F. Feldstein | | | James T. Flynn | | |
| | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain |
| MNE | 296 | 0 | 0 | 3,858,109 | 234,626 | 0 | 3,858,109 | 234,626 | 0 |
| MZA | 311 | 62 | 0 | 4,176,551 | 136,830 | 0 | 4,179,228 | 134,153 | 0 |
| MYC | 1,059 | 0 | 0 | 20,175,984 | 490,454 | 0 | 20,133,640 | 532,798 | 0 |
| MYF | 534 | 60 | 0 | 12,722,150 | 252,050 | 0 | 12,727,559 | 246,641 | 0 |
| MYJ | 822 | 200 | 0 | 13,621,113 | 214,886 | 0 | 13,623,775 | 212,224 | 0 |
| | Henry Gabbay | | | Jerrold B. Harris | | | R. Glenn Hubbard | | |
| | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain |
| MNE | 3,858,109 | 234,626 | 0 | 3,858,109 | 234,626 | 0 | 3,858,109 | 234,626 | 0 |
| MZA | 4,205,166 | 108,215 | 0 | 4,179,228 | 134,153 | 0 | 4,206,082 | 107,299 | 0 |
| MYC | 20,188,205 | 478,233 | 0 | 20,177,627 | 488,811 | 0 | 20,218,241 | 448,197 | 0 |
| MYF | 12,738,109 | 236,091 | 0 | 12,727,596 | 246,604 | 0 | 12,728,351 | 245,849 | 0 |
| MYJ | 13,627,131 | 208,868 | 0 | 13,625,695 | 210,304 | 0 | 13,616,994 | 219,005 | 0 |
| | W. Carl Kester¹ | | | Karen P. Robards | | | | | |
| | Votes For | Votes Withheld | Abstain | Votes For | Votes Withheld | Abstain | | | |
| MNE | 296 | 0 | 0 | 3,858,109 | 234,626 | 0 | | | |
| MZA | 311 | 62 | 0 | 4,203,608 | 109,772 | 0 | | | |
| MYC | 1,059 | 0 | 0 | 20,239,071 | 427,367 | 0 | | | |
| MYF | 534 | 60 | 0 | 12,732,596 | 241,604 | 0 | | | |
| MYJ | 822 | 200 | 0 | 13,621,408 | 214,591 | 0 | | | |

¹ Voted on by holders of Preferred Shares only.

Additional Information (continued)

Fund Certification

Certain Funds are listed for trading on the NYSE and have filed with the NYSE their annual chief executive officer certification regarding compliance with the NYSE's listing standards. The Funds filed with the SEC the certification of its chief executive officer and chief financial officer required by section 302 of the Sarbanes-Oxley Act.

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Funds may at times pay out less than the entire amount of net investment income earned in any particular month and may at times in any particular month pay out such accumulated but undistributed income in addition to net investment income earned in that month. As a result, the dividends paid by the Funds for any particular month may be more or less than the amount of net investment income earned by the Funds during such month. The Funds' current accumulated but undistributed net investment income, if any, is disclosed in the Statements of Assets and Liabilities, which comprises part of the financial information included in this report.

General Information

The Funds do not make available copies of their Statements of Additional Information because the Funds' shares are not continuously offered, which means that the Statement of Additional Information of each Fund has not been updated after completion of the respective Fund's offerings and the information contained in each Fund's Statement of Additional Information may have become outdated.

During the period there were no material changes in the Funds' investment objectives or policies or to the Funds' charters or by-laws that would delay or prevent a change of control of the Funds that were not approved by the shareholders or in the principal risk factors associated with investment in the Funds. There have been no changes in the persons who are primarily responsible for the day-to-day management of the Funds' portfolios.

Quarterly performance, semi-annual and annual reports and other information regarding the Funds may be found on BlackRock's website, which can be accessed at <http://www.blackrock.com>. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

Electronic Delivery

Electronic copies of most financial reports are available on the Funds' web-sites or shareholders can sign up for e-mail notifications of quarterly statements, annual and semi-annual reports by enrolling in the Funds' electronic delivery program.

Shareholders Who Hold Accounts with Investment Advisors, Banks or Brokerages:

Please contact your financial advisor to enroll. Please note that not all investment advisors, banks or brokerages may offer this service.

Householding

The Funds will mail only one copy of shareholder documents, including annual and semi-annual reports and proxy statements, to shareholders with multiple accounts at the same address. This practice is commonly called “householding” and is intended to reduce expenses and eliminate duplicate mailings of shareholder documents. Mailings of your shareholder documents may be householded indefinitely unless you instruct us otherwise. If you do not want the mailing of these documents to be combined with those for other members of your household, please call (800) 441-7762.

Availability of Quarterly Schedule of Investments

Each Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds’ Forms N-Q are available on the SEC’s website at <http://www.sec.gov> and may also be reviewed and copied at the SEC’s Public Reference Room in Washington, DC. Information on how to access documents on the SEC’s website without charge may be obtained by calling (800) SEC-0330. Each Fund’s Forms N-Q may also be obtained upon request and without charge by calling (800) 441-7762.

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Additional Information (concluded)

General Information (concluded)

Availability of Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling (800) 441-7762; (2) at <http://www.blackrock.com>; and (3) on the SEC's website at <http://www.sec.gov>.

Availability of Proxy Voting Record

Information about how the Funds voted proxies relating to securities held in the Funds' portfolios during the most recent 12-month period ended June 30 is available upon request and without charge (1) at <http://www.blackrock.com> or by calling (800) 441-7762 and (2) on the SEC's website at <http://www.sec.gov>.

Availability of Fund Updates

BlackRock will update performance data for the Funds on a monthly basis on its website in the "Closed-end Funds" section of www.blackrock.com. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds. This reference to BlackRock's website is intended to allow investors public access to information regarding the Funds and does not, and is not intended to, incorporate BlackRock's website in this report.

BlackRock Privacy Principles

BlackRock is committed to maintaining the privacy of its current and former fund investors and individual clients (collectively, "Clients") and to safeguarding their non-public personal information. The following information is provided to help you understand what personal information BlackRock collects, how we protect that information and why in certain cases we share such information with select parties.

If you are located in a jurisdiction where specific laws, rules or regulations require BlackRock to provide you with additional or different privacy-related rights beyond what is set forth below, then BlackRock will comply with those specific laws, rules or regulations.

BlackRock obtains or verifies personal non-public information from and about you from different sources, including the following: (i) information we receive from you or, if applicable, your financial intermediary, on applications, forms or other documents; (ii) information about your transactions with us, our affiliates, or others; (iii) information we receive from a consumer reporting agency; and (iv) from visits to our websites.

BlackRock does not sell or disclose to non-affiliated third parties any non-public personal information about its Clients, except as permitted by law or as is necessary to respond to regulatory requests or to service Client accounts. These non-affiliated third parties are required to protect the confidentiality and security of this information and to use it only for its intended purpose.

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the

information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares which creates risks for Common Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed auctions, may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

#MY5-7/12-AR

Item 2 – Code of Ethics – The registrant (or the “Fund”) has adopted a code of ethics, as of the end of the period covered by this report, applicable to the registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. During the period covered by this report, there have been no amendments to or waivers granted under the code of ethics. A copy of the code of ethics is available without charge at www.blackrock.com.

Item 3 – Audit Committee Financial Expert – The registrant’s board of directors (the “board of directors”), has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent:

Frank J. Fabozzi
James T. Flynn
W. Carl Kester
Karen P. Robards

The registrant’s board of directors has determined that W. Carl Kester and Karen P. Robards qualify as financial experts pursuant to Item 3(c)(4) of Form N-CSR.

Prof. Kester has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Prof. Kester has been involved in providing valuation and other financial consulting services to corporate clients since 1978. Prof. Kester’s financial consulting services present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant’s financial statements.

Ms. Robards has a thorough understanding of generally accepted accounting principles, financial statements and internal control over financial reporting as well as audit committee functions. Ms. Robards has been President of Robards & Company, a financial advisory firm, since 1987. Ms. Robards was formerly an investment banker for more than 10 years where she was responsible for evaluating and assessing the performance of companies based on their financial results. Ms. Robards has over 30 years of experience analyzing financial statements. She also is a member of the audit committee of one publicly held company and a non-profit organization.

Under applicable securities laws, a person determined to be an audit committee financial expert will not be deemed an “expert” for any purpose, including without limitation for the purposes of Section 11 of the Securities Act of 1933, as a result of being designated or identified as an audit committee financial expert. The designation or identification as an audit committee financial expert does not impose on such person any duties, obligations, or liabilities greater than the duties, obligations, and liabilities imposed on such person as a member of the audit committee and board of directors in the absence of such designation or identification. The designation or identification of a person as an audit committee financial expert does not affect the duties, obligations, or liability of any other member of the audit committee or board of directors.

Item 4 – Principal Accountant Fees and Services

The following table presents fees billed by Deloitte & Touche LLP (“D&T”) in each of the last two fiscal years for the services rendered to the Fund:

| Entity Name | (a) Audit Fees | | (b) Audit-Related Fees ¹ | | (c) Tax Fees ² | | (d) All Other Fees ³ | |
|--|-------------------------|--------------------------|-------------------------------------|--------------------------|---------------------------|--------------------------|---------------------------------|--------------------------|
| | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End | Current Fiscal Year End | Previous Fiscal Year End |
| BlackRock MuniYield Arizona Fund, Inc. | \$27,200 | \$27,200 | \$0 | \$1,000 | \$8,300 | \$7,800 | \$0 | \$0 |

The following table presents fees billed by D&T that were required to be approved by the registrant’s audit committee (the “Committee”) for services that relate directly to the operations or financial reporting of the Fund and that are rendered on behalf of BlackRock Advisors, LLC (“Investment Adviser” or “BlackRock”) and entities controlling, controlled by, or under common control with BlackRock (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) that provide ongoing services to the Fund (“Fund Service Providers”):

| | Current Fiscal Year End | Previous Fiscal Year End |
|---|-------------------------|--------------------------|
| (b) Audit-Related Fees¹ | \$0 | \$0 |
| (c) Tax Fees² | \$0 | \$0 |
| (d) All Other Fees³ | \$2,970,000 | \$3,030,000 |

¹ The nature of the services includes assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

² The nature of the services includes tax compliance, tax advice and tax planning.

³ Aggregate fees borne by BlackRock in connection with the review of compliance procedures and attestation thereto performed by D&T with respect to all of the registered closed-end funds and some of the registered open-end funds advised by BlackRock.

(e)(1) Audit Committee Pre-Approval Policies and Procedures:

The Committee has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the Investment Adviser and Fund Service Providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC’s auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis (“general pre-approval”). The term of any general pre-approval is 12 months from the date of the pre-approval, unless the Committee provides for a different period. Tax or other non-audit services provided to the registrant which have a direct impact on the operations or financial reporting of the registrant will only be deemed pre-approved provided that any individual project does not exceed \$10,000 attributable to the registrant or \$50,000 per project. For

this purpose, multiple projects will be aggregated to determine if they exceed the previously mentioned cost levels.

Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject to general pre-approval (e.g.,

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unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting. At this meeting, an analysis of such services is presented to the Committee for ratification. The Committee may delegate to the Committee Chairman the authority to approve the provision of and fees for any specific engagement of permitted non-audit services, including services exceeding pre-approved cost levels.

(e)(2) None of the services described in each of Items 4(b) through (d) were approved by the Committee pursuant to the de minimis exception in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not Applicable

(g) The aggregate non-audit fees paid to the accountant for services rendered by the accountant to the registrant, the Investment Adviser and the Fund Service Providers were:

| Entity Name | Current Fiscal Year End | Previous Fiscal Year End |
|--|-------------------------|--------------------------|
| BlackRock MuniYield Arizona Fund, Inc. | \$8,300 | \$8,800 |

Additionally, SSAE 16 Review (Formerly, SAS No. 70) fees for the current and previous fiscal years of \$2,970,000 and \$3,030,000, respectively, were billed by D&T to the Investment Adviser.

(h) The Committee has considered and determined that the provision of non-audit services that were rendered to the Investment Adviser, and the Fund Service Providers that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Item 5 – Audit Committee of Listed Registrants

The following individuals are members of the registrant's separately-designated standing audit committee (a) established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(58)(A)):

Michael Castellano
 Frank J. Fabozzi
 James T. Flynn
 W. Carl Kester
 Karen P. Robards

(b) Not Applicable

Item 6 – Investments

(a) The registrant's Schedule of Investments is included as part of the Report to Stockholders filed under Item 1 of this Form.

(b) Not Applicable due to no such divestments during the semi-annual period covered since the previous Form N-CSR filing.

Item 7 – Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies – The board of directors has delegated the voting of proxies for the Fund’s portfolio securities to the Investment Adviser pursuant to the Investment Adviser’s proxy voting guidelines. Under these guidelines, the Investment Adviser will vote proxies related to Fund securities in the best interests of the Fund and its stockholders. From time to time, a vote may present a conflict between the interests of the Fund’s stockholders, on the one hand, and those of the Investment Adviser, or any affiliated person of the Fund or the Investment Adviser, on the other. In such event, provided that the Investment Adviser’s Equity Investment Policy Oversight Committee, or a sub-committee thereof (the “Oversight Committee”) is aware of the real or potential conflict or material non-routine matter and if the Oversight Committee does not reasonably believe it is able to follow its general voting guidelines (or if the particular proxy matter is not addressed in the guidelines) and vote impartially, the Oversight Committee may retain an independent fiduciary to advise the Oversight Committee on how to vote or to cast votes on behalf of the Investment Adviser’s clients. If the Investment Adviser determines not to retain an independent fiduciary, or does not desire to follow the advice of such independent fiduciary, the Oversight Committee shall determine how to vote the proxy after consulting with the Investment Adviser’s Portfolio Management Group and/or the Investment Adviser’s Legal and Compliance Department and concluding that the vote cast is in its client’s best interest notwithstanding the conflict. A copy of the Fund’s Proxy Voting Policy and Procedures are attached as Exhibit 99.PROXYPOL. Information on how the Fund voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is available without charge, (i) at www.blackrock.com and (ii) on the SEC’s website at <http://www.sec.gov>.

Item 8 – Portfolio Managers of Closed-End Management Investment Companies – as of July 31, 2012.

The registrant is managed by a team of investment professionals comprised of Michael Kalinoski, Director at BlackRock, Theodore R. Jaeckel, Jr., CFA, Managing Director at BlackRock, and Walter O’Connor, Managing Director at BlackRock. Each is a member of BlackRock’s municipal tax-exempt management group. Each is (a)(1) jointly responsible for the day-to-day management of the registrant’s portfolio, which includes setting the registrant’s overall investment strategy, overseeing the management of the registrant and/or selection of its investments. Messrs. Kalinoski, Jaeckel and O’Connor have been members of the registrant’s portfolio management team since 1999, 2006 and 2006, respectively.

| Portfolio Manager | Biography |
|--------------------------|---|
| Michael Kalinoski | Director of BlackRock since 2006; Director of Merrill Lynch Investment Managers, L.P. (“MLIM”) from 1999 to 2006. |
| Theodore R. Jaeckel, Jr. | Managing Director at BlackRock since 2006; Managing Director of MLIM from 2005 to 2006; Director of MLIM from 1997 to 2005. |
| Walter O’Connor | Managing Director of BlackRock since 2006; Managing Director of MLIM from 2003 to 2006; Director of MLIM from 1998 to 2003. |

(a)(2) As of July 31, 2012:

| (i) Name of Portfolio Manager | (ii) Number of Other Accounts Managed and Assets by Account Type | | | (iii) Number of Other Accounts and Assets for Which Advisory Fee is Performance-Based Other | | |
|----------------------------------|--|--------------|----------|---|--------------|----------|
| | Registered | Other Pooled | Other | Registered | Other Pooled | Other |
| | Investment | Investment | Accounts | Investment | Investment | Accounts |
| | Companies | Vehicles | | Vehicles | | |
| Michael Kalinoski | 10 \$5.01 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |
| Theodore R. Jaeckel, Jr. | 62 \$24.74 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |
| Walter O'Connor | 62 \$24.74 Billion | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 | 0 \$0 |

(iv) Potential Material Conflicts of Interest

BlackRock has built a professional working environment, firm-wide compliance culture and compliance procedures and systems designed to protect against potential incentives that may favor one account over another. BlackRock has adopted policies and procedures that address the allocation of investment opportunities, execution of portfolio transactions, personal trading by employees and other potential conflicts of interest that are designed to ensure that all client accounts are treated equitably over time. Nevertheless, BlackRock furnishes investment management and advisory services to numerous clients in addition to the Fund, and BlackRock may, consistent with applicable law, make investment recommendations to other clients or accounts (including accounts which are hedge funds or have performance or higher fees paid to BlackRock, or in which portfolio managers have a personal interest in the receipt of such fees), which may be the same as or different from those made to the Fund. In addition, BlackRock, its affiliates and significant shareholders and any officer, director, shareholder or employee may or may not have an interest in the securities whose purchase and sale BlackRock recommends to the Fund. BlackRock, or any of its affiliates or significant shareholders, or any officer, director, shareholder, employee or any member of their families may take different actions than those recommended to the Fund by BlackRock with respect to the same securities. Moreover, BlackRock may refrain from rendering any advice or services concerning securities of companies of which any of BlackRock's (or its affiliates' or significant shareholders') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or significant shareholders or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Certain portfolio managers also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for a fund. It should also be noted that a portfolio manager may be managing hedge fund and/or long only accounts, or may be part of a team managing hedge fund and/or long only accounts, subject to incentive fees. Such portfolio managers may therefore be entitled to receive a portion of any incentive fees earned on such accounts. Currently, the portfolio managers of this fund are not entitled to receive a portion of incentive fees of other accounts.

As a fiduciary, BlackRock owes a duty of loyalty to its clients and must treat each client fairly. When BlackRock purchases or sells securities for more than one account, the trades must be allocated in a manner consistent with its fiduciary duties. BlackRock attempts to allocate investments in a fair and equitable manner among client accounts, with no account receiving preferential treatment. To this end, BlackRock has adopted policies that are intended to ensure reasonable efficiency in client transactions and provide BlackRock with sufficient flexibility to

allocate investments in a manner that is consistent with the particular investment discipline and client base, as appropriate.

(a)(3) As of July 31, 2012:

Portfolio Manager Compensation Overview

BlackRock's financial arrangements with its portfolio managers, its competitive compensation and its career path emphasis at all levels reflect the value senior management places on key resources. Compensation may include a variety of components and may vary from year to year based on a number of factors. The principal components of compensation include a base salary, a performance-based discretionary bonus, participation in various benefits programs and one or more of the incentive compensation programs established by BlackRock.

Base compensation. Generally, portfolio managers receive base compensation based on their position with the firm.

Discretionary Incentive Compensation.

Discretionary incentive compensation is a function of several components: the performance of BlackRock, Inc., the performance of the portfolio manager's group within BlackRock, the investment performance, including risk-adjusted returns, of the firm's assets under management or supervision by that portfolio manager relative to predetermined benchmarks, and the individual's performance and contribution to the overall performance of these portfolios and BlackRock. In most cases, these benchmarks are the same as the benchmark or benchmarks against which the performance of the Funds or other accounts managed by the portfolio managers are measured. Among other things, BlackRock's Chief Investment Officers make a subjective determination with respect to each portfolio manager's compensation based on the performance of the Fund and other accounts managed by each portfolio manager relative to the various benchmarks. Performance of fixed income funds is measured on a pre-tax and/or after-tax basis over various time periods including 1-, 3- and 5- year periods, as applicable. With respect to these portfolio managers, such benchmarks for the funds and other accounts are:

| Portfolio Manager | Benchmark |
|-------------------|---|
| Theodore Jaeckel | A combination of market-based indices (e.g., Barclays Capital Muni Bond Index, Standard & Poor's Municipal Bond Index, Barclays Capital Taxable Municipal Build America Bonds Index), certain customized indices and certain fund industry peer groups. |
| Walter O'Connor | A combination of market-based indices (e.g., Standard & Poor's Municipal Bond Index, Barclays Capital Taxable Municipal Build America Bonds Index), certain customized indices and certain fund industry peer groups. |
| Michael Kalinoski | A combination of market-based indices (e.g., Standard & Poor's Municipal Bond Index, Barclays Capital Taxable Municipal Build America Bonds Index), certain customized indices and certain fund industry peer groups. |

Distribution of Discretionary Incentive Compensation

Discretionary incentive compensation is distributed to portfolio managers in a combination of cash and BlackRock, Inc. restricted stock units which vest ratably over a number of years. For some portfolio managers, discretionary incentive compensation is also distributed in deferred cash

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awards that notionally track the returns of select BlackRock investment products they manage and that vest ratably over a number of years. The BlackRock, Inc. restricted stock units, upon vesting, will be settled in BlackRock, Inc. common stock. Typically, the cash portion of the discretionary incentive compensation, when combined with base salary, represents more than 60% of total compensation for the portfolio managers. Paying a portion of discretionary incentive compensation in BlackRock stock puts compensation earned by a portfolio manager for a given year “at risk” based on BlackRock’s ability to sustain and improve its performance over future periods. Providing a portion of discretionary incentive compensation in deferred cash awards that notionally track the BlackRock investment products they manage provides direct alignment with investment product results.

Long-Term Incentive Plan Awards — From time to time long-term incentive equity awards are granted to certain key employees to aid in retention, align their interests with long-term shareholder interests and motivate performance.

Equity awards are generally granted in the form of BlackRock, Inc. restricted stock units that, once vested, settle in BlackRock, Inc. common stock. Messrs. Jaeckel and O’Connor have each received long-term incentive awards.

Deferred Compensation Program — A portion of the compensation paid to eligible BlackRock employees may be voluntarily deferred at their election for defined periods of time into an account that tracks the performance of certain of the firm’s investment products. All of the eligible portfolio managers have participated in the deferred compensation program.

Other compensation benefits.

In addition to base compensation and discretionary incentive compensation, portfolio managers may be eligible to receive or participate in one or more of the following incentive savings plans. BlackRock, Inc. has created a variety of incentive savings plans in which BlackRock, Inc. employees are eligible to participate, including a 401(k) plan, the BlackRock Retirement Savings Plan (RSP), and the BlackRock Employee Stock Purchase Plan (ESPP). The employer contribution components of the RSP include a company match equal to 50% of the first 8% of eligible pay contributed to the plan capped at \$5,000 per year, and a company retirement contribution equal to 3-5% of eligible compensation up to the IRS limit (\$250,000 for 2012). The RSP offers a range of investment options, including registered investment companies and collective investment funds managed by the firm. BlackRock, Inc. contributions follow the investment direction set by participants for their own contributions or, absent participant investment direction, are invested into an index target date fund that corresponds to, or is closest to, the year in which the participant attains age 65. The ESPP allows for investment in BlackRock common stock at a 5% discount on the fair market value of the stock on the purchase date. Annual participation in the ESPP is limited to the purchase of 1,000 shares of common stock or a dollar value of \$25,000 based on its fair market value on the purchase date. Messrs. Jaeckel, Kalinoski and O’Connor are each eligible to participate in these plans.

| | |
|--------------------------|--|
| (a)(4) | <i>Beneficial Ownership of Securities – As of July 31, 2012.</i> |
| Portfolio Manager | Dollar Range of Equity Securities of the Fund Beneficially Owned |
| Michael Kalinoski | None |
| Theodore R. Jaeckel, Jr. | None |

Walter O'Connor None

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(b) Not Applicable

Item 9 – Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers – Not Applicable due to no such purchases during the period covered by this report.

Item 10 – Submission of Matters to a Vote of Security Holders – There have been no material changes to these procedures.

Item 11 – Controls and Procedures

(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.

(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 second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant’s internal control over financial reporting.

Item 12 – Exhibits attached hereto

(a)(1) – Code of Ethics – See Item 2

(a)(2) – Certifications – Attached hereto

(a)(3) – Not Applicable

(b) – 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 Arizona Fund, Inc.

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

Date: October 3, 2012

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
Arizona Fund, Inc.

Date: October 3, 2012

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

Date: October 3, 2012

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