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MUNIYIELD INSURED FUND INC

Form N-CSR

January 24, 2007

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 811-06540

Name of Fund: BlackRock MuniYield Insured Fund, Inc.

Fund Address: P.O. Box 9011
Princeton, NJ 08543-9011

Name and address of agent for service: Robert C. Doll, Jr., Chief Executive
Officer, BlackRock MuniYield Insured Fund, Inc., 800 Scudders Mill Road,
Plainsboro, NJ 08536. Mailing address: P.O. Box 9011, Princeton, NJ
08543-9011

Registrant's telephone number, including area code: (609) 282-2800

Date of fiscal year end: 10/31/06

Date of reporting period: 11/01/05 - 10/31/06

Item 1 - Report to Stockholders

ALTERNATIVES	BLACKROCK SOLUTIONS	EQUITIES
FIXED INCOME	LIQUIDITY	REAL ESTATE

Annual Reports

BLACKROCK

OCTOBER 31, 2006

BlackRock MuniYield Fund, Inc.

BlackRock MuniYield Insured Fund, Inc.

BlackRock MuniYield Quality Fund, Inc.

BlackRock MuniYield Quality Fund II, Inc.

NOT FDIC INSURED
MAY LOSE VALUE
NO BANK GUARANTEE

BlackRock MuniYield Fund, Inc.
BlackRock MuniYield Insured Fund, Inc.
BlackRock MuniYield Quality Fund, Inc.
BlackRock MuniYield Quality Fund II, Inc.

Quality Profiles as of October 31, 2006

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BlackRock MuniYield Fund, Inc. by S&P/Moody's Rating	Percent of Total Investments
AAA/Aaa	41.7%
AA/Aa	12.0
A/A	10.0
BBB/Baa	10.2
BB/Ba	1.4
B/B	4.5
CCC/Caa	2.2
NR (Not Rated)	17.1
Other*	0.9

* Includes portfolio holdings in short-term investments and variable rate demand notes.

BlackRock MuniYield Insured Fund, Inc. by S&P/Moody's Rating	Percent of Total Investments
AAA/Aaa	83.1%
AA/Aa	3.8
A/A	6.1
BBB/Baa	1.7
NR (Not Rated)	2.5
Other*	2.8

* Includes portfolio holdings in variable rate demand notes.

BlackRock MuniYield Quality Fund, Inc. by S&P/Moody's Rating	Percent of Total Investments
AAA/Aaa	86.9%
AA/Aa	5.2
A/A	6.8
BBB/Baa	0.3
Other*	0.8

* Includes portfolio holdings in short-term investments.

BlackRock MuniYield Quality Fund II, Inc. by S&P/Moody's Rating	Percent of Total Investments
AAA/Aaa	86.8%
AA/Aa	5.4
A/A	6.3
BBB/Baa	0.3
Other*	1.2

* Includes portfolio holdings in short-term investments.

Announcement of Annual Stockholders Meeting

Each Fund has determined that its annual stockholders meeting originally

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scheduled to be held in April 2007 will be postponed until and will be held in June 2007. Proposals of stockholders intended to be presented at the meeting must be received by each Fund by February 15, 2007 for inclusion in the Fund's proxy statement and form of proxy for that meeting. The persons named as proxies in the proxy materials for each Fund's 2007 Annual meeting of stockholders may exercise discretionary authority with respect to any stockholder proposal presented at such meeting if written notice of such proposal has not been received by the Funds by April 1, 2007. Written proposals and notices should be sent to the Secretary of the Fund, 800 Scudders Mill Road, Plainsboro, New Jersey 08536.

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A Letter to Shareholders

Dear Shareholder

Ten months into 2006, we are able to say it has been an interesting year for investors. After a volatile start and far-reaching mid-year correction, the financial markets regained some positive momentum through late summer and fall. For the six- and 12-month periods ended October 31, 2006, most major market indexes managed to post positive returns:

Total Returns as of October 31, 2006	6-month	12-month
U.S. equities (Standard & Poor's 500 Index)	+6.11%	+16.34%
Small cap U.S. equities (Russell 2000 Index)	+0.90	+19.98
International equities (MSCI Europe, Australasia, Far East Index)	+3.77	+27.52
Fixed income (Lehman Brothers Aggregate Bond Index)	+4.60	+ 5.19
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+4.12	+ 5.75
High yield bonds (Credit Suisse High Yield Index)	+4.66	+10.29

The Federal Reserve Board (the Fed), after raising the target short-term interest rate 17 times between June 2004 and June 2006, finally opted to pause on August 8, 2006. This left the federal funds rate at 5.25%, where it remained through the September and October Fed meetings. In interrupting its two-year rate-hiking campaign, the Fed acknowledged that economic growth is slowing, led by softness in the housing market. However, the central bankers continue to take a cautionary position on inflation, despite a decline in energy prices in recent months. At the time of this writing, the price of oil had settled into the \$60-per-barrel range after reaching nearly \$78 per barrel earlier in the year.

Notwithstanding the mid-year correction, equity markets generally found support in solid corporate earnings reports in the first three quarters of the year. Overall corporate health, including strong company balance sheets, helped to sustain robust dividend-distribution, share-buyback and merger-and-acquisition activity. Many international equity markets fared equally well or better, thanks in part to higher economic growth rates and low inflation.

In the U.S. bond market, prices declined for much of the year as investors

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focused on decent economic activity and inflation concerns. Bond prices began to improve in late June as the economy showed signs of weakening and inflation pressures subsided. Notably, the Treasury curve inverted periodically, a phenomenon typically associated with periods of economic weakness. At the end of October, the one-month Treasury bill offered the highest yield on the curve at 5.18%, while the 30-year Treasury bond had a yield of 4.72%.

Amid the uncertainty inherent in the financial markets, we encourage you to review your goals periodically with your financial professional and to make portfolio changes, as needed. For additional insight and timely "food for thought" for investors, we also invite you to visit Shareholder magazine at www.blackrock.com/shareholdermagazine. We are pleased to make our investor-friendly magazine available to you online. We thank you for trusting BlackRock with your investment assets, and we look forward to continuing to serve your investment needs.

Sincerely,

/s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.
President and Director

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A Discussion With Your Funds' Portfolio Managers

The Funds recorded total returns that surpassed their respective Lipper group averages for the fiscal year, while also continuing to provide shareholders with an attractive monthly income stream.

Describe the recent market environment relative to municipal bonds.

Supported by a positive technical backdrop, municipal bonds managed to significantly outperform their taxable counterparts for the 12-month period ended October 31, 2006. Despite considerable volatility, taxable bond yields were little changed over the past year. Tax-exempt bonds, in the meantime, saw their yields decline (as prices, which move opposite of yields, rose).

For much of the first half of the fiscal period, longer-maturity U.S. Treasury bond yields rose (and prices declined) as investors focused on strong U.S. economic activity and inflationary concerns triggered by rising oil prices. By mid-May 2006, the yield on 30-year U.S. Treasury bonds rose more than 70 basis points (.70%) to 5.31%. Bond prices began to improve in late June as economic activity weakened and inflationary pressures subsided. Bond price improvement accelerated after the Federal Reserve Board (the Fed) refrained from raising the target interest rate at its August 8 meeting, a move that came after 17 consecutive interest rate hikes since June 2004. Recent declines in oil prices, and especially gasoline prices, helped to reverse earlier inflationary concerns and support higher bond prices. Over the 12-month period, 30-year U.S. Treasury bond yields fell four basis points to 4.72%, while 10-year Treasury yields rose four basis points to 4.61%.

Meanwhile, the municipal bond market found support in declining new-issue volume and increasing investor demand. As reported by Municipal Market Data, yields on AAA-rated municipal issues maturing in 30 years declined 52 basis points to 4.07% over the past 12 months. Shorter maturities experienced smaller yield declines, with yields on AAA-rated municipal issues maturing in 10 years falling 28 basis points to 3.64%.

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Demand for municipal product by retail and institutional investors has remained very strong despite the recent decline in bond yields. The strong demand is reflected in continued flows into long-term, tax-exempt mutual funds. As reported by the Investment Company Institute, long-term municipal bond funds saw net new cash inflows of more than \$1.3 billion during September 2006, a material increase from \$344 million in July and \$283 million in June. During the first nine months of 2006, long-term tax-exempt bond funds had net new cash flows of over \$9.6 billion, a 43% increase versus the same period a year earlier. Recent weekly fund flows, reported by AMG Data, averaged \$416 million in October 2006, well above the July average of \$247 million and the year-to-date weekly average of \$315 million.

Also supporting municipal bond price improvement has been a decline in new issuance. In the first 10 months of 2006, more than \$295 billion in new long-term municipal bonds was underwritten, a decline of over 12.5% versus the same period a year ago. Notably, after declining for much of the year, refunding activity increased slightly in October as the lower interest rate environment sparked an increase in refinancing activity. On a year-to-date basis, however, refunding activity has declined over 50% relative to last year's refunding issuance.

Looking ahead, the positive technical framework in the municipal marketplace suggests that the tax-exempt market should continue to perform well. New supply is expected to remain manageable and tax-exempt bond yield ratios remain in their recent range of 86% - 89% of comparable long-term U.S. Treasury yields, well within their recent historic norms. These ratios argue for continued strong demand from non-traditional, arbitrage-related accounts, which continue to be attracted to the municipal bond market given its relatively steep yield curve. Taken together, these factors suggest that the municipal market is poised to continue to perform well as we approach year-end.

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BlackRock MuniYield Fund, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2006, the Common Stock of BlackRock MuniYield Fund, Inc. (formerly MuniYield Fund, Inc.) had net annualized yields of 6.23% and 5.92%, based on a year-end per share net asset value of \$14.98 and a per share market price of \$15.76, respectively, and \$.933 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +10.30%, based on a change in per share net asset value from \$14.48 to \$14.98, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, exceeded the +8.42% average return of the Lipper General Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues rated in the top four credit-rating categories. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.)

As in prior reporting periods, Fund performance continued to be driven by our exposure to lower-rated, higher-yielding credits. As credit spreads contracted throughout the period, lower-rated instruments outperformed the broader market and provided both price appreciation and incremental yield for the Fund. It should be noted that the spread contraction trend slowed considerably over the latter six months of the period, and the benefits of the Fund's spread product exposure decreased. Still, positive security selection kept the Fund's

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performance ahead of the median of its Lipper peer group throughout the 12-month period.

Another factor benefiting performance was our active management of the portfolio's duration, or its sensitivity to interest rate risk. Entering the fiscal year, we had a neutral duration posture compared to our Lipper peers, with the intention of lengthening that position slightly going into the end of 2005, which we did. In light of market improvement, we subsequently shortened our duration modestly in a timely move ahead of the market backup that occurred in the beginning of 2006. Through the last six months of the period, we maintained a generally neutral duration, although we have remained flexible with respect to market moves. We also continued to position the portfolio to take advantage of the flattening trend in the municipal yield curve. The curve did flatten over the 12 months, further benefiting Fund performance.

For the six-month period ended October 31, 2006, the total investment return on the Fund's Common Stock was +6.03%, based on a change in per share net asset value from \$14.57 to \$14.98, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock may vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

Portfolio activity during the period was focused on taking advantage of the further flattening of the municipal yield curve, as well as improving the overall quality and diversification of the Fund. Our yield curve strategy evolved in response to municipal market moves over the 12-month period. In the first half of the period, we typically made purchases in the 20-year - 30-year maturity range using proceeds from the sale of bonds with much shorter maturities, such as those in the five-year - 10-year area. We also looked to sell longer bonds that were likely to be called by their issuers in that five-year - 10-year time frame. As we perceived a shift in value to the 10-year - 15-year maturity range, we focused our buying activity in that area of the curve during the latter half of the period. Most notably, we participated in the initial offering of a New Jersey Transportation Trust Fund debt refinancing transaction, which was worth \$2.8 billion and included a number of attractively priced opportunities in the 15-year sector. While we have been reluctant to fund these purchases by selling bonds at the long end of the curve, which may yet benefit from additional flattening, we believe the Fund will be better served by a shift to the intermediate range.

In addition to pursuing our yield curve strategy, we also sought opportunities to reduce our weighting in non-investment grade, high yield bonds. Given the demand for high yield issues that was initially sparked by high call activity in the low interest rate environment of the last few years, we were able to sell bonds that we believed had become overvalued and were unlikely to continue their outperformance. Despite the loss of yield associated with our reductions in high yield paper,

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the Fund performed quite well throughout the 12-month period as the high yield positions that were retained, particularly those in the health care and airline sectors, continued to outperform.

For the six-month period ended October 31, 2006, the Fund's Auction Market Preferred Stock had average yields of: 3.27% for Series A, 3.24% for Series B, 3.38% for Series C, 3.30% for Series D, 3.21% for Series E, 3.22% for Series F and 3.23% for Series G. The Fed raised short-term interest rates six times during the 12-month period, but opted to keep the target rate on hold at 5.25% in August, September and October 2006. As such, the Fund's borrowing costs started to stabilize and even move slightly lower late in the period. Despite the Fed's rate increases during the period, the municipal yield curve remained positively sloped and continued to generate an income benefit to the Common Stock shareholder from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and, as a result, reduce the yield on the Fund's Common Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 11 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

At period-end, the Fund was neutrally positioned in terms of interest rate risk, and our exposure to lower-rated securities had been reduced. Our yield curve outlook changed during the period as it became likely that the Fed would pause in its monetary tightening program, which it did in the third quarter of 2006. With the majority of the curve flattening likely behind us, we began the process of reducing our exposure to the long end of the curve over the latter half of the reporting period. We now see that the most attractive value is closer to the middle of the curve, around the 10-year - 15-year range. We will continue to use periods of market strength to sell high yield issues and those at the long end of the yield curve in order to further improve the portfolio's credit quality and allocate more assets to the intermediate part of the curve.

BlackRock MuniYield Insured Fund, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2006, the Common Stock of BlackRock MuniYield Insured Fund, Inc. (formerly MuniYield Insured Fund, Inc.) had net annualized yields of 4.99% and 5.31%, based on a year-end per share net asset value of \$15.30 and a per share market price of \$14.36, respectively, and \$.763 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +8.09%, based on a change in per share net asset value from \$15.27 to \$15.30, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, exceeded the +7.11% average return of the Lipper Insured Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.)

The Fund's outperformance can be attributed to a few factors, including our focus on bonds issued by high-tax and specialty states and our emphasis on the long end of the municipal yield curve. The Fund was able to realize price outperformance from its holdings of bonds issued by higher-tax states such as California and New York. Approximately 33% of the Fund's assets was allocated to California and 15.4% to New York municipal issues, which performed well and boosted Fund performance for the year. We also purchased bonds issued by specialty states, such as Nebraska, Kansas and Missouri, where favorable supply/demand dynamics led to solid price performance for these states' bonds. Finally, the Fund's slightly longer maturity compared to its peers proved

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advantageous as the yield curve continued to flatten and long-term bonds outperformed short-term issues. This strategy also helped the portfolio to maintain an above-average yield.

For the six-month period ended October 31, 2006, the total investment return on the Fund's Common Stock was +5.68%, based on a change in per share net asset value from \$14.85 to \$15.30, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming

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reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

We did not significantly alter our strategy or the Fund's portfolio during the past 12 months. We continued to target additional yield for the portfolio by investing in longer-dated bonds, specifically in the 25-year - 30-year maturity range, while also seeking to protect the Fund's underlying value.

As new municipal bond issuance declined during the year, we found few compelling opportunities to restructure the portfolio. Having said that, we did notice a marked narrowing of credit spreads between municipal bonds issued by high-tax states and those issued by low-tax states and sought to capitalize on this trend. When available, we found it advantageous to purchase high-quality bonds issued by the high-tax states, as opposed to bonds issued by low-tax states. Because of the relatively high income taxes imposed by these states, their securities typically meet with strong retail demand, which in turn creates a solid technical market, leading to better liquidity. We participated in these transactions in such high-tax states as California, New York and New Jersey.

In our efforts to maintain a diversified portfolio, we also bought approximately \$30 million in general obligation bonds of the State of Louisiana. Although these issues came with shorter maturities than we had been targeting, this was a rare opportunity to participate in the Louisiana debt market in bonds that were offering yields comparable to other states' 30-year issues. We also found a number of compelling opportunities in the Pacific Northwest, specifically bonds issued by the State of Washington. These made up approximately 10% - 11% of the portfolio at period-end. We observe solid credit fundamentals in this region of the country.

Importantly, the Fund continued to be fully invested throughout the period, consistent with our goal of maintaining an attractive level of income.

For the six-month period ended October 31, 2006, the Fund's Auction Market Preferred Stock had average yields of: 3.05% for Series A, 3.00% for Series B, 2.97% for Series C, 3.12% for Series D, 2.92% for Series E, 3.06% for Series F, 2.86% for Series G, 2.90% for Series H and 2.87% for Series I. The Fed raised short-term interest rates six times during the 12-month period, but opted to keep the target rate on hold at 5.25% in August, September and October 2006. As such, the Fund's borrowing costs began to stabilize and even move slightly lower late in the period. Despite the Fed's interest rate increases during the period,

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the municipal yield curve remained positively sloped and continued to generate an income benefit to the Common Stock shareholder from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and, as a result, reduce the yield on the Fund's Common Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 11 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We ended the period with a fully invested portfolio and a slightly long duration relative to our peers. Municipal yields and credit spreads are near their all-time lows and the slope of the yield curve is historically very flat. However, a favorable supply/demand environment should continue to be supportive of present valuations in the municipal market.

Against this backdrop, we intend to continue our efforts to enhance yield for shareholders while also protecting the Fund's underlying value. To that end, we continue to look for maturities in the 25-year area and to favor a neutral to slightly long portfolio duration, which we believe offers the benefit of incremental yield. Recently, we started looking down the yield curve slightly at opportunities in the 15-year - 17-year area. Ultimately, we believe that above-average yields can provide for competitive Fund returns over time.

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A Discussion With Your Funds' Portfolio Managers (continued)

BlackRock MuniYield Quality Fund, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2006, the Common Stock of BlackRock MuniYield Quality Fund, Inc. (formerly MuniYield Quality Fund, Inc.) had net annualized yields of 5.04% and 5.33%, based on a year-end per share net asset value of \$15.32 and a per share market price of \$14.48, respectively, and \$.772 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +7.78%, based on a change in per share net asset value from \$15.02 to \$15.32, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, outpaced the +7.11% average return of the Lipper Insured Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.) The Fund also provided an above-average yield relative to its Lipper peers.

The bulk of the Fund's outperformance occurred in the latter six months of the fiscal year, when our fully invested position allowed the portfolio to take advantage of the bond market rally that ensued once the Fed stopped raising interest rates. Also contributing to performance was the Fund's above-average yield, which is additive to total return, and the advance refunding of several positions. When bonds are refunded ahead of their maturity date, they generally rise sharply in value. The price appreciation was somewhat more muted given the flatness of the yield curve, but prerefundings are a special event nonetheless and contributed to the positive performance of the Fund during this 12-month period.

For the six-month period ended October 31, 2006, the total investment return on the Fund's Common Stock was +5.62%, based on a change in per share net asset

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value from \$14.89 to \$15.32, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

Municipal bonds fared quite well during the year, supported by low new issuance, healthy investor demand and strong performance relative to the taxable bond market. We did not make significant changes to the portfolio's composition or our investment strategy over the past 12 months. Given the limited supply in the market, and the generally low coupons available on new issues, there were few compelling opportunities to restructure the portfolio. We did sell some of the recently advance refunded positions, as their book yields were not significantly above current market yields, and moved into higher-yielding current issues. For the most part, we targeted the 20-year maturity range for the relative yield enhancement it offered. Nevertheless, we were reluctant to restructure the portfolio significantly, as most of the securities held in the portfolio have higher yields than those currently available in the market.

Overall, we maintained a fairly neutral duration profile for most of the period and a fully invested stance. Both of these factors aided performance, particularly as the bond markets embarked on a strong rally in the final three months of the period. In managing the Fund's duration, we employed hedging strategies rather than trading in and out of bonds. We felt this was a prudent approach, as it allowed us to target our desired duration without having to give up attractively structured bonds that contribute meaningfully to the Fund's distribution rate.

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For the six-month period ended October 31, 2006, the Fund's Auction Market Preferred Stock had average yields of 3.32% for Series A, 3.24% for Series B, 3.38% for Series C, 3.26% for Series D and 3.23% for Series E. The Fed raised short-term interest rates six times during the 12-month period, but opted to keep the target rate on hold at 5.25% in August, September and October 2006. As such, the Fund's borrowing costs began to stabilize and even move slightly lower late in the period. Despite the Fed's interest rate increases during the period, the municipal yield curve remained positively sloped and continued to generate an income benefit to the Common Stock shareholder from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and, as a result, reduce the yield on the Fund's Common Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 11 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We remained fully invested at period-end and fairly neutral with respect to interest rate risk. The bond market has come a long way in recent months, despite some uncertain rhetoric from the Fed. The central bankers acknowledge that the economy is slowing, led by a sharp deceleration in housing, but continue to take a cautionary tone on inflation. Against this backdrop, we

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believe a neutral stance is appropriate. We will look to sell into strength as the market presents opportunities, particularly at the longer end of the curve. We also continue to explore opportunities back down the curve in the 15-year - 20-year range. We have found that we can move five years - 10 years down the curve without sacrificing a significant amount of yield. Given the degree of yield-curve flattening that has occurred over the course of the Fed's interest rate-hiking campaign, we believe this maturity range could perform well in the future. Overall, we remain committed to our goal of providing shareholders with an attractive level of tax-exempt income.

BlackRock MuniYield Quality Fund II, Inc.

How did the Fund perform during the fiscal year?

For the 12-month period ended October 31, 2006, the Common Stock of BlackRock MuniYield Quality Fund II, Inc. (formerly MuniYield Quality II Fund, Inc.) had net annualized yields of 5.12% and 5.40%, based on a year-end per share net asset value of \$13.64 and a per share market price of \$12.93, respectively, and \$.698 per share income dividends. Over the same period, the total investment return on the Fund's Common Stock was +7.98%, based on a change in per share net asset value from \$13.36 to \$13.64, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, outpaced the +7.11% average return of the Lipper Insured Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues insured as to timely payment. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.) The Fund also provided an above-average yield relative to its Lipper peers.

The bulk of the Fund's outperformance occurred in the latter six months of the fiscal year, when our fully invested position allowed the portfolio to take advantage of the bond market rally that ensued once the Fed stopped raising interest rates. Also contributing to performance was the Fund's above-average yield, which is additive to total return, and the advance refunding of several positions. When bonds are refunded ahead of their maturity date, they generally rise sharply in value. The price appreciation was somewhat more muted given the flatness of the yield curve, but prerefundings are a special event nonetheless and contributed to the positive performance of the Fund during this 12-month period.

For the six-month period ended October 31, 2006, the total investment return on the Fund's Common Stock was +5.74%, based on a change in per share net asset value from \$13.25 to \$13.64, and assuming reinvestment of all distributions.

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A Discussion With Your Funds' Portfolio Managers (concluded)

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the New York Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

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Municipal bonds fared quite well during the year, supported by low new issuance, healthy investor demand and strong performance relative to the taxable bond market. We did not make significant changes to the portfolio's composition or our investment strategy over the past 12 months. Given the limited supply in the market, and the generally low coupons available on new issues, there were few compelling opportunities to restructure the portfolio. We did sell some of the recently advance refunded positions, as their book yields were not significantly above current market yields, and moved into higher-yielding current issues. For the most part, we targeted the 20-year maturity range for the relative yield enhancement it offered. Nevertheless, we were reluctant to restructure the portfolio significantly, as most of the securities held in the portfolio have higher yields than those currently available in the market.

Overall, we maintained a fairly neutral duration profile for most of the period and a fully invested stance. Both of these factors aided performance, particularly as the bond markets embarked on a strong rally in the final three months of the period. In managing the Fund's duration, we employed hedging strategies rather than trading in and out of bonds. We felt this was a prudent approach, as it allowed us to target our desired duration without having to give up attractively structured bonds that contribute meaningfully to the Fund's distribution rate.

For the six-month period ended October 31, 2006, the Fund's Auction Market Preferred Stock had average yields of 3.33% for Series A, 3.44% for Series B, 3.21% for Series C and 3.22% for Series D. The Fed raised short-term interest rates six times during the 12-month period, but opted to keep the target rate on hold at 5.25% in August, September and October 2006. As such, the Fund's borrowing costs began to stabilize during the period, the municipal yield curve remained positively sloped and continued to generate an income benefit to the Common Stock shareholder from the leveraging of Preferred Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and, as a result, reduce the yield on the Fund's Common Stock. (For a more complete explanation of the benefits and risks of leveraging, see page 11 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We remained fully invested at period-end and fairly neutral with respect to interest rate risk. The bond market has come a long way in recent months, despite some uncertain rhetoric from the Fed. The central bankers acknowledge that the economy is slowing, led by a sharp deceleration in housing, but continue to take a cautionary tone on inflation. Against this backdrop, we believe a neutral stance is appropriate. We will look to sell into strength as the market presents opportunities, particularly at the longer end of the curve. We also continue to explore opportunities back down the curve in the 15-year - 20-year range. We have found that we can move five years - 10 years down the curve without sacrificing a significant amount of yield. Given the degree of yield-curve flattening that has occurred over the course of the Fed's interest rate-hiking campaign, we believe this maturity range could perform well in the future. Overall, we remain committed to our goal of providing shareholders with an attractive level of tax-exempt income.

Theodore R. Jaeckel Jr., CFA
Vice President and Portfolio Manager
BlackRock MuniYield Fund, Inc.

William R. Bock
Vice President and Portfolio Manager
BlackRock MuniYield Insured Fund, Inc.

Michael A. Kalinoski, CFA

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Vice President and Portfolio Manager
BlackRock MuniYield Quality Fund, Inc.
BlackRock MuniYield Quality Fund II, Inc.

November 20, 2006

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The Benefits and Risks of Leveraging

The Funds utilize leveraging to seek to enhance the yield and net asset value of their Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, each Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of each Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock 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 approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns the income based on long-term interest rates.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the New York Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As of October 31, 2006, BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. had leverage amounts, due to Auction Market Preferred Stock, of 33.78%, 35.62%, 34.92% and 34.40% of total net assets, respectively, before the deduction of Preferred Stock.

As a part of their investment strategy, the Funds may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Funds to the risks of

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reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed rate, tax-exempt securities. To the extent the Funds invest in inverse floaters, the market value of each Fund's portfolio and the net asset value of each Fund's shares may also be more volatile than if the Funds did not invest in these securities.

Swap Agreements

The Funds may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom each Fund has entered into a swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

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Schedule of Investments as of October 31, 2006

BlackRock MuniYield Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Alabama--2.2%		
\$ 5,250	Jefferson County, Alabama, Limited Obligation School Warrants, Series A, 5.50% due 1/01/2022	\$ 5,733
	Tuscaloosa, Alabama, Special Care Facilities Financing Authority, Residential Care Facility Revenue Bonds (Capstone Village, Inc. Project) Series A:	
2,200	5.625% due 8/01/2025	2,214
6,425	5.875% due 8/01/2036	6,559
=====		
Arizona--11.6%		
	Arizona State Transportation Board, Highway Revenue Bonds, Sub-Series A:	
5,825	5% due 7/01/2021	6,230
7,030	5% due 7/01/2022	7,504
5,240	5% due 7/01/2023	5,576
3,300	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.75% due 7/01/2029	3,315
	Maricopa County, Arizona, IDA, M/F Housing Revenue Refunding Bonds (CRS Pine Ridge Housing Corporation), Series A-1 (e) (i):	
5,000	6% due 10/20/2031	5,381
5,000	6.05% due 10/20/2036	5,327
	Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America West Airlines Inc. Project), AMT:	
3,000	6.25% due 6/01/2019	3,088
5,090	6.30% due 4/01/2023	5,195

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	Phoenix, Arizona, IDA, M/F Housing Revenue Bonds (Summit Apartments LLC Project) (i):	
1,610	6.25% due 7/20/2022	1,763
1,425	6.45% due 7/20/2032	1,557
1,305	6.55% due 7/20/2037	1,429
1,400	Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project II), Series A, 6.75% due 7/01/2031	1,485
17,500	Salt River Project, Arizona, Agriculture Improvement and Power District, Electric System Revenue Bonds, Series A, 5% due 1/01/2037	18,624
	Vistancia Community Facilities District, Arizona, GO:	
3,000	5.50% due 7/15/2020	3,120
2,125	5.75% due 7/15/2024	2,230
5,900	Yavapai County, Arizona, IDA, Hospital Facility Revenue Bonds (Yavapai Regional Medical Center), Series A, 6% due 8/01/2033	6,406
=====		
Arkansas--0.7%		
	University of Arkansas, University Construction Revenue Bonds (UAMS Campus), Series B (k):	
2,000	5% due 11/01/2020	2,137
1,600	5% due 11/01/2027	1,695
1,000	University of Arkansas, University Revenue Refunding Bonds (UAMS Campus), Series A, 5% due 11/01/2014 (k)	1,086
=====		
California--14.4%		
8,760	California State, GO, 5% due 2/01/2033 California State Public Works Board, Lease Revenue Bonds:	9,160
2,000	(Department of Corrections), Series C, 5% due 6/01/2025	2,098
4,500	(Department of Mental Health--Coalinga State Hospital), Series A, 5.125% due 6/01/2029	4,744
	California State, Various Purpose, GO:	
6,800	5.25% due 11/01/2025	7,310
10,000	5% due 4/01/2031 (a)	10,511
5,550	5.50% due 11/01/2033	6,104
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds:	
5,500	Series A-3, 7.875% due 6/01/2042	6,758
7,500	Series A-4, 7.80% due 6/01/2042	9,184
	Los Angeles, California, Unified School District, GO, Series A (h):	
7,570	5% due 7/01/2022	8,050
18,400	5% due 7/01/2023	19,455
5,145	Santa Clara, California, Subordinated Electric Revenue Bonds, Series A, 5% due 7/01/2022 (k)	5,465
7,465	University of California Revenue Bonds (Multiple Purpose Projects), Series Q, 5% due 9/01/2021 (h)	7,960
=====		
Colorado--5.1%		
3,245	Colorado Educational and Cultural Facilities Authority, Revenue Refunding Bonds (University of Denver Project), Series B, 5.25% due 3/01/2035 (d)	3,524
330	Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Series D-2, 6.90% due 4/01/2029	333
8,000	Denver, Colorado, City and County Airport Revenue Bonds, AMT, Series D, 7.75% due 11/15/2013 (a)	9,132
4,755	Denver, Colorado, Urban Renewal Authority, Tax Increment Revenue Bonds (Pavilions), AMT, 7.75%	

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due 3/01/2007 (1)

4,853

Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, we have abbreviated the names of many of the securities according to the list at right.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
DATES	Daily Adjustable Tax-Exempt Securities
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
PILOT	Payment in Lieu of Taxes
S/F	Single-Family
VRDN	Variable Rate Demand Notes

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Colorado (concluded)		
	Elk Valley, Colorado, Public Improvement Revenue Bonds (Public Improvement Fee), Series A:	
\$ 1,615	7.10% due 9/01/2014	\$ 1,738
5,065	7.35% due 9/01/2031	5,407
	Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees):	
6,850	8% due 12/01/2025	7,595
1,885	8.125% due 12/01/2025	1,899
=====		
Connecticut--0.1%		
450	Connecticut State Development Authority, IDR (AFCO Cargo BDL-LLC Project), AMT, 7.35% due 4/01/2010	473
=====		
Delaware--0.3%		
2,000	New Castle County, Delaware, PCR (General Motors Corporation Project), VRDN, 7.10% due 10/01/2008 (n)	2,000
=====		
Florida--6.3%		
4,240	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System),	

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		Series C, 5.25% due 11/15/2036	4,523
		Hillsborough County, Florida, IDA, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT:	
11,500		Series A, 7.125% due 4/01/2030	12,651
5,000		Series B, 7.125% due 4/01/2030	5,500
4,705		Lee County, Florida, Revenue Bonds, 5% due 10/01/2022 (a)	5,016
5,450		Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series B, 6.50% due 5/01/2037	6,053
1,100		Orange County, Florida, Health Facilities Authority, Health Care Revenue Refunding Bonds (Orlando Lutheran Towers), 5.375% due 7/01/2020	1,116
2,500		Orlando, Florida, Greater Orlando Aviation Authority, Airport Facilities Revenue Bonds (JetBlue Airways Corp.), AMT, 6.50% due 11/15/2036	2,616
4,620		Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6.25% due 7/01/2028	4,675
=====			
Georgia--1.6%			
4,600		Atlanta, Georgia, Tax Allocation Bonds (Atlantic Station Project), 7.90% due 12/01/2024	5,117
		Brunswick and Glynn County, Georgia, Development Authority, First Mortgage Revenue Bonds (Coastal Community Retirement Corporation Project), Series A:	
2,285		7.125% due 1/01/2025	2,253
3,595		7.25% due 1/01/2035	3,556
=====			
Idaho--1.6%			
180		Idaho Housing Agency, S/F Mortgage Revenue Refunding Bonds, AMT, Senior Series C-2, 7.15% due 7/01/2023	185
10,000		Power County, Idaho, Industrial Development Corporation, Solid Waste Disposal Revenue Bonds (FMC Corporation Project), AMT, 6.45% due 8/01/2032	10,663
=====			
Illinois--5.1%			
675		Beardstown, Illinois, IDR (Jefferson Smurfit Corp. Project), 8% due 10/01/2016	690
1,000		Bolingbrook, Illinois, Special Services Area Number 1, Special Tax Bonds (Forest City Project), 5.90% due 3/01/2027 (p)	1,013
13,200		Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 6% due 1/01/2029 (f)	14,813
3,915		Chicago, Illinois, O'Hare International Airport, Special Facility Revenue Refunding Bonds (American Airlines Inc. Project), 8.20% due 12/01/2024	4,037
1,750		Illinois State Finance Authority Revenue Bonds, Series A: (Friendship Village of Schaumburg), 5.625% due 2/15/2037	1,788
2,155		(Landing At Plymouth Place Project), 6% due 5/15/2037	2,261
5,000		Illinois State Finance Authority, Revenue Refunding Bonds (Northwestern University), 5% due 12/01/2042	5,249
4,000		Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Bonds (McCormick Place Expansion), Series A, 5.50% due 6/15/2023 (k)	4,346
=====			
Indiana--1.1%			
2,850		Indiana Municipal Power Agency, Power Supply System	

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		Revenue Bonds, Series A, 5% due 1/01/2029 (d)	3,010
4,300		Indiana Transportation Finance Authority, Highway	
		Revenue Bonds, Series A, 5% due 6/01/2028 (h)	4,503
=====			
Kansas--0.2%			
1,250		Lenexa, Kansas, Health Care Facility Revenue	
		Bonds (Lakeview Village Inc.), Series C, 6.875%	
		due 5/15/2032	1,365
=====			
Kentucky--0.5%			
		Kentucky Economic Development Finance Authority,	
		Health System Revenue Refunding Bonds (Norton	
		Healthcare, Inc.), Series A:	
2,350		6.625% due 10/01/2010 (l)	2,622
650		6.625% due 10/01/2028	722
=====			
Louisiana--5.7%			
6,750		Louisiana Public Facilities Authority, Hospital Revenue	
		Bonds (Franciscan Missionaries of Our Lady Health	
		System, Inc.), Series A, 5.25% due 8/15/2036	7,139
1,000		Louisiana Public Facilities Authority, Revenue Refunding	
		Bonds (Pennington Medical Foundation Project),	
		5% due 7/01/2031	1,038
10,000		Louisiana State Citizens Property Insurance Corporation,	
		Assessment Revenue Bonds, Series B, 5%	
		due 6/01/2020 (a)	10,789
19,000		Port New Orleans, Louisiana, IDR, Refunding	
		(Continental Grain Company Project), 6.50%	
		due 1/01/2017	19,379
=====			

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Maryland--3.6%		
	Baltimore, Maryland, Convention Center Hotel	
	Revenue Bonds:	
\$ 5,615	Senior Series A, 5.25% due 9/01/2039 (f)	\$ 6,105
1,920	Sub-Series B, 5.875% due 9/01/2039	2,032
3,000	Maryland State Energy Financing Administration,	
	Limited Obligation Revenue Bonds (Cogeneration --	
	AES Warrior Run), AMT, 7.40% due 9/01/2019	3,023
	Maryland State Health and Higher Educational Facilities	
	Authority, Revenue Refunding Bonds:	
6,375	(Peninsula Regional Medical Center), 5%	
	due 7/01/2036	6,694
4,000	(University of Maryland Medical System), 6%	
	due 7/01/2032	4,364
500	Maryland State Industrial Development Financing	
	Authority, Economic Development Revenue Bonds	
	(Our Lady of Good Counsel School), Series A,	

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	6% due 5/01/2035	537
1,500	Prince Georges County, Maryland, Special Obligation Bonds (National Harbor Project), 5.20% due 7/01/2034	1,532
=====		
Massachusetts--4.9%		
1,410	Massachusetts State College Building Authority, Project Revenue Bonds, Series A, 5% due 5/01/2031 (a)	1,501
10,000	Massachusetts State, Consolidated Loan, GO, Series C, 5% due 9/01/2015 (1)	10,964
3,500	Massachusetts State Development Finance Agency, Human Service Provider Revenue Bonds (Seven Hills Foundation & Affiliates), 5% due 9/01/2035 (m)	3,647
2,750	Massachusetts State Development Finance Agency, Revenue Refunding Bonds (Western New England College), Series A, 5% due 9/01/2033 (b)	2,894
3,125	Massachusetts State Health and Educational Facilities Authority, Revenue Bonds (University of Massachusetts Memorial Healthcare), Series D, 5% due 7/01/2033	3,186
10,000	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25% due 1/01/2014 (d) (1)	10,961
=====		
Michigan--1.5%		
6,060	Macomb County, Michigan, Hospital Finance Authority, Hospital Revenue Bonds (Mount Clemens General Hospital), Series B, 5.875% due 11/15/2034	6,419
1,000	Michigan State Hospital Finance Authority, Revenue Refunding Bonds (Henry Ford Health System), Series A, 5.25% due 11/15/2032	1,071
2,500	Michigan State Strategic Fund, PCR, Refunding (General Motors Corp.), 6.20% due 9/01/2020	2,512
=====		
Minnesota--1.8%		
	Eden Prairie, Minnesota, M/F Housing Revenue Bonds (Rolling Hills Project), Series A (i):	
420	6% due 8/20/2021	460
2,000	6.20% due 2/20/2043	2,172
945	Minneapolis, Minnesota, M/F Housing Revenue Bonds (Gaar Scott Loft Project), AMT, 5.95% due 5/01/2030	985
	Minnesota State Municipal Power Agency, Electric Revenue Bonds:	
4,500	5% due 10/01/2030	4,707
3,340	5% due 10/01/2035	3,486
=====		
Missouri--4.1%		
2,690	Fenton, Missouri, Tax Increment Revenue Refunding and Improvement Bonds (Gravois Bluffs), 7% due 10/01/2011 (1)	3,113
2,500	Missouri Joint Municipal Electric Utility Commission, Power Project Revenue Bonds (Latan 2 Project), Series A, 4.50% due 1/01/2036 (a)	2,504
	Missouri State Highways and Transportation Commission, First Lien State Road Revenue Bonds, Series A:	
5,000	5% due 5/01/2020	5,433
15,000	5% due 5/01/2021	16,262
85	Missouri State Housing Development Commission, S/F Mortgage Revenue Bonds, Homeownership, AMT, Series B, 7.55% due 9/01/2027 (g) (i)	86
=====		
Nebraska--0.3%		
865	Lincoln, Nebraska, Sanitation and Sewer Revenue Bonds: 4.25% due 6/15/2024	862

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	905	4.25% due 6/15/2025	898
=====			
New Hampshire--0.6%			
	3,425	New Hampshire Health and Education Facilities Authority, Revenue Refunding Bonds (Elliot Hospital), Series B, 5.60% due 10/01/2022	3,705
=====			
New Jersey--17.3%			
	11,435	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2024	12,120
		New Jersey EDA, First Mortgage Revenue Bonds, Series A:	
	710	(Lions Gate Project), 5.75% due 1/01/2025	732
	230	(Lions Gate Project), 5.875% due 1/01/2037	237
	3,000	(The Presbyterian Home), 6.375% due 11/01/2031	3,184
	20,000	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5% due 7/01/2029 (k)	21,119
	4,400	New Jersey EDA, Retirement Community Revenue Bonds (Cedar Crest Village Inc. Facility), Series A, 7.25% due 11/15/2031	4,786
	8,825	New Jersey EDA, School Facilities Construction Revenue Bonds, Series O, 5.25% due 3/01/2023	9,574
		New Jersey EDA, Special Facility Revenue Bonds (Continental Airlines Inc. Project), AMT:	
	3,905	6.25% due 9/15/2019	4,043
	14,000	6.25% due 9/15/2029	14,469
		New Jersey Health Care Facilities Financing Authority Revenue Bonds (Pascack Valley Hospital Association):	
	1,515	6% due 7/01/2013	1,548
	1,835	6.625% due 7/01/2036	1,891
	3,000	New Jersey State Educational Facilities Authority, Revenue Bonds (Richard Stockton College), Series F, 4.25% due 7/01/2036 (k)	2,945
		New Jersey State Transportation Trust Fund Authority, Transportation System Revenue Bonds:	
	3,975	Series A, 5.50% due 12/15/2021	4,607
	6,600	Series A, 5.50% due 12/15/2022	7,673
	13,110	Series C, 5.05% due 12/15/2035 (a) (p)	3,691
	5,425	Series D, 5% due 6/15/2019 (h)	5,848
	9,410	Series D, 5% due 6/15/2020	10,012
	7,000	Series D, 5% due 6/15/2020 (h)	7,527
=====			

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Schedule of Investments (continued)
 BlackRock MuniYield Fund, Inc. (in Thousands)

	Face Amount	Municipal Bonds	Value
=====			
New York--17.5%			
	\$ 2,200	Dutchess County, New York, IDA, Civic Facility Revenue Refunding Bonds (Saint Francis Hospital), Series A, 7.50% due 3/01/2029	\$ 2,424
	2,400	Erie County, New York, IDA, Revenue Bonds (Orchard	

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	Park Ccrc, Inc. Project), Series A, 6% due 11/15/2026	2,556
11,000	Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series F, 5% due 11/15/2035	11,563
2,000	New York City, New York, City IDA, PILOT Revenue Bonds: (Queens Baseball Stadium Project), 5% due 1/01/2022 (a)	2,166
2,175	(Queens Baseball Stadium Project), 5% due 1/01/2023 (a)	2,349
13,250	(Yankee Stadium Project), 5% due 3/01/2036 (k)	14,118
1,250	New York City, New York, City IDA, Special Facility Revenue Bonds (British Airways Plc Project), AMT, 7.625% due 12/01/2032	1,402
10,000	New York City, New York, City Municipal Water Finance Authority, Water and Sewer System, Revenue Refunding Bonds, 5.50% due 6/15/2010 (1)	10,760
	New York City, New York, GO:	
10,000	Series M, 5% due 4/01/2021	10,620
2,500	Series O, 5% due 6/01/2033	2,624
6,500	New York Liberty Development Corporation, Revenue Bonds (Goldman Sachs Headquarters), 5.25% due 10/01/2035	7,552
	New York State Dormitory Authority, Non-State Supported Debt, Revenue Refunding Bonds (Mount Sinai Health), Series A:	
3,145	6.75% due 7/01/2010 (1)	3,500
1,855	6.75% due 7/01/2020	2,019
5,000	New York State Dormitory Authority, State Personal Income Tax Revenue Bonds (Education), Series F, 5% due 3/15/2035	5,294
8,360	New York State Dormitory Authority, Supported Debt Revenue Refunding Bonds (Department of Health), Series A, 5% due 7/01/2023 (c)	8,879
2,500	Suffolk County, New York, IDA, IDR, Refunding (Nissequogue Cogeneration Partners Facility), AMT, 5.50% due 1/01/2023	2,483
9,400	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series C-1, 5.50% due 6/01/2021	10,277
10,000	Triborough Bridge and Tunnel Authority, New York, Subordinate Revenue Bonds, 5.25% due 11/15/2030	10,665
	Westchester County, New York, IDA, Continuing Care Retirement Mortgage Revenue Bonds (Kendal on Hudson Project), Series A:	
3,450	6.375% due 1/01/2024	3,689
2,895	6.50% due 1/01/2034	3,098
=====		
North Carolina--1.8%		
4,750	North Carolina Eastern Municipal Power Agency, Power System Revenue Bonds, Series D, 6.75% due 1/01/2026	5,166
165	North Carolina HFA, Home Ownership Revenue Bonds, AMT, Series 8-A, 6.20% due 7/01/2016	170
785	North Carolina, HFA, S/F Revenue Bonds, Series II, 6.20% due 3/01/2016 (e)	819
	North Carolina Medical Care Commission, Health Care Facilities, First Mortgage Revenue Bonds:	
1,000	(Arbor Acres Community Project), 6.375% due 3/01/2032	1,074
5,000	(Presbyterian Homes Project), 5.40% due 10/01/2027	5,163
=====		
Ohio--3.1%		

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3,000	Cincinnati, Ohio, City School District, GO (Classroom Construction and Improvement), Refunding, 5.25% due 12/01/2020 (d)	3,429
	Cuyahoga County, Ohio, Mortgage Revenue Bonds (West Tech Apartments Project), AMT (i):	
141	5.75% due 9/20/2020	141
225	5.85% due 9/20/2030	225
5,065	Hamilton County, Ohio, Sewer System Improvement Revenue Bonds (The Metropolitan Sewer District of Greater Cincinnati), Series B, 5% due 12/01/2028 (k)	5,396
2,175	Lucas County, Ohio, Health Care Facility Revenue Refunding and Improvement Bonds (Sunset Retirement Communities), Series A, 6.625% due 8/15/2030	2,342
5,000	Mason, Ohio, City School District, GO (School Improvement), 5% due 12/01/2031 (h)	5,274
970	Port of Greater Cincinnati Development Authority, Ohio, Special Assessment Revenue Bonds (Cooperative Public Parking Infrastructure Project), 6.30% due 2/15/2024	1,062
	Toledo-Lucas County, Ohio, Port Authority Revenue Bonds (Saint Mary Woods Project), Series A:	
750	6% due 5/15/2024	766
2,250	6% due 5/15/2034	2,277
=====		
Oregon--1.4%		
4,405	Oregon State Department of Administrative Services, COP, Series A, 6% due 5/01/2010 (a) (1)	4,796
2,870	Oregon State, GO, Refunding (Veterans Welfare), Series 80A, 5.70% due 10/01/2032	2,891
1,830	Portland, Oregon, Housing Authority, Housing Revenue Bonds (Pine Square and University Place), Series A, 5.875% due 1/01/2022	1,879
=====		
Pennsylvania--5.6%		
5,270	Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series A, 6.25% due 11/01/2027	5,558
16,270	Pennsylvania State Higher Educational Facilities Authority, Health Services Revenue Refunding Bonds (Allegheny Delaware Valley Obligation), Series C, 5.875% due 11/15/2016 (k)	16,623

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Schedule of Investments (continued)

BlackRock MuniYield Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Pennsylvania (concluded)		
\$ 1,265	Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, 7.75% due 12/01/2017	\$ 1,268
	Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, Refunding:	

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3,650	(Days Inn), Series B, 6.50% due 2/01/2007 (1)	3,746
4,000	(Doubletree), Series A, 6.50% due 2/01/2007 (1)	4,106
5,000	Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125% due 12/01/2031	5,993
=====		
Rhode Island--1.1%		
4,240	Central Falls, Rhode Island, Detention Facility Corporation, Detention Facility, Revenue Refunding Bonds, 7.25% due 7/15/2035	4,771
1,225	Woonsocket, Rhode Island, GO (d): 6% due 10/01/2017	1,343
1,195	6% due 10/01/2018	1,306
=====		
Tennessee--2.2%		
4,340	Hardeman County, Tennessee, Correctional Facilities Corporation Revenue Bonds, 7.75% due 8/01/2017	4,476
10,000	McMinn County, Tennessee, IDB, Solid Waste Revenue Bonds (Recycling Facility--Calhoun Newsprint), AMT, 7.40% due 12/01/2022	10,150
=====		
Texas--13.2%		
5,000	Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds (American Airlines Inc. Project), AMT, 7.50% due 12/01/2029	5,100
5,000	Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A: 6.70% due 1/01/2028	5,331
5,000	6.70% due 1/01/2032	5,294
1,300	Bexar County, Texas, Housing Finance Corporation, M/F Housing Revenue Bonds (Water at Northern Hills Apartments), Series A (k): 5.80% due 8/01/2021	1,331
2,460	6% due 8/01/2031	2,518
1,000	6.05% due 8/01/2036	1,024
3,755	Brazos River Authority, Texas, Revenue Refunding Bonds (Reliant Energy Inc. Project), Series B, 7.75% due 12/01/2018	3,996
5,480	Dallas-Fort Worth, Texas, International Airport Facilities Improvement Corporation Revenue Bonds (American Airlines, Inc.), AMT, 7.25% due 11/01/2030	5,562
3,000	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project) (m): 6.875% due 10/01/2020	3,374
2,000	6.375% due 10/01/2025	2,214
5,000	Guadalupe-Blanco River Authority, Texas, Sewage and Solid Waste Disposal Facility Revenue Bonds (E. I. du Pont de Nemours and Company Project), AMT, 6.40% due 4/01/2026	5,108
3,900	Gulf Coast, Texas, IDA, Solid Waste Disposal Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 7.50% due 5/01/2025	4,387
3,500	Houston, Texas, Airport System, Special Facilities Revenue Bonds (Continental Airlines), AMT, Series E: 7.375% due 7/01/2022	3,839
3,000	7% due 7/01/2029	3,245
1,600	Houston, Texas, Industrial Development Corporation Revenue Bonds (Air Cargo), AMT, 6.375% due 1/01/2023	1,716

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	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT:	
4,830	6.375% due 4/01/2027	4,981
3,330	6.95% due 4/01/2030	3,674
7,030	Matagorda County, Texas, Navigation District Number 1, Revenue Refunding Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/2029	7,475
3,900	Port Corpus Christi, Texas, Individual Development Corporation, Environmental Facilities Revenue Bonds (Citgo Petroleum Corporation Project), AMT, 8.25% due 11/01/2031	4,035
6,500	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50% due 8/15/2039 (a)	7,051
7,020	Tyler, Texas, Waterworks and Sewer Revenue Bonds, 5.70% due 9/01/2010 (d) (l)	7,546
=====		
Virginia--2.5%		
	James City County, Virginia, EDA, Residential Care Facility, First Mortgage Revenue Refunding Bonds (Williamsburg Landing, Inc.), Series A:	
1,500	5.35% due 9/01/2026	1,541
2,000	5.50% due 9/01/2034	2,056
	Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds (l):	
5,000	Senior Series A, 5.50% due 8/15/2008	5,264
24,800	Senior Series B, 6.67% due 8/15/2008 (p)	6,991
1,000	Winchester, Virginia, IDA, Residential Care Facilities, Revenue Bonds (Westminster-Canterbury), Series A, 5.20% due 1/01/2027	1,017
=====		
Washington--0.3%		
	Vancouver, Washington, Housing Authority, Housing Revenue Bonds (Teal Pointe Apartments Project), AMT:	
945	6% due 9/01/2022	970
1,250	6.20% due 9/01/2032	1,282
=====		
Wisconsin--0.6%		
695	Milwaukee, Wisconsin, Revenue Bonds (Air Cargo), AMT, 6.50% due 1/01/2025	750
	Wisconsin Health and Educational Facilities Authority, Revenue Refunding Bonds (Eastcastle Place Inc. Project):	
1,000	6% due 12/01/2024	1,031
1,800	6.125% due 12/01/2034	1,845
700	Wisconsin State, GO, AMT, Series B, 6.20% due 11/01/2026 (k)	708
=====		

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Schedule of Investments (concluded)

BlackRock MuniYield Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		

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Wyoming--0.4%			
	\$ 2,500	Wyoming Student Loan Corporation, Student Loan Revenue Refunding Bonds, Series A, 6.20% due 6/01/2024	\$ 2,658
=====			
U.S. Virgin Islands--1.0%			
	6,250	Virgin Islands Public Finance Authority, Refinery Facilities Revenue Bonds (Hovenssa Refinery), AMT, 6.125% due 7/01/2022	6,910

		Total Municipal Bonds (Cost--\$889,759)--141.3%	950,288
=====			
Municipal Bonds Held in Trust (o)			
=====			
New York--3.3%			
	10,000	New York City, New York, GO, Refunding, Series A (d): 6.375% due 5/15/2014	10,959
	10,000	6.375% due 5/15/2015	10,959
=====			
South Carolina--2.8%			
	7,795	Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District) (b): 5.25% due 12/01/2028	8,444
	6,920	5.25% due 12/01/2029	7,491
	2,510	5.25% due 12/01/2030	2,717
=====			
Puerto Rico--5.6%			
	30,000	Puerto Rico Commonwealth Highway and Transportation Authority, Transportation Revenue Bonds, Series B, 5.875% due 7/01/2035 (k)	32,678
	5,000	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series HH, 5.75% due 7/01/2010 (h) (l)	5,415

		Total Municipal Bonds Held in Trust (Cost--\$75,321)--11.7%	78,663
=====			
	Shares Held	Short-Term Securities	
=====			
	6,924	Merrill Lynch Institutional Tax-Exempt Fund, 3.38% (j) (q)	6,924

		Total Short-Term Securities (Cost--\$6,924)--1.0%	6,924
=====			
Total Investments (Cost--\$972,004*)--154.0%			1,035,875
Other Assets Less Liabilities--2.5%			16,485
Liability for Trust Certificates, Including Interest Expense Payable--(5.4%)			(36,610)
Preferred Stock, at Redemption Value--(51.1%)			(343,383)

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Net Assets Applicable to Common Stock--100.0%

\$ 672,367
=====

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 937,168
	=====
Gross unrealized appreciation	\$ 62,754
Gross unrealized depreciation	(160)

Net unrealized appreciation	\$ 62,594
	=====

- (a) AMBAC Insured.
- (b) Assured Guaranty Insured.
- (c) CIFG Insured.
- (d) FGIC Insured.
- (e) FHA Insured.
- (f) XL Capital Insured.
- (g) FNMA Collateralized.
- (h) FSA Insured.
- (i) GNMA Collateralized.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	4,424	\$ 346

- (k) MBIA Insured.
- (l) Prerefunded.
- (m) Radian Insured.
- (n) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
- (o) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1(c) to Financial Statements for details of Municipal Bonds Held in Trust.
- (p) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- (q) Represents the current yield as of October 31, 2006.

See Notes to Financial Statements.

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Face Amount	Municipal Bonds	Value
=====		
Alaska--0.4%		
\$ 3,695	Alaska Energy Authority, Power Revenue Refunding Bonds (Bradley Lake), Fourth Series, 6% due 7/01/2018 (g)	\$ 4,371
=====		
Arizona--2.2%		
21,355	Downtown Phoenix Hotel Corporation, Arizona, Revenue Bonds, Senior Series A, 5% due 7/01/2036 (c)	22,460
=====		
California--29.8%		
10,000	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.40% due 10/01/2014 (a) (m)	8,123
5,000	Antioch, California, Public Finance Authority, Lease Revenue Refunding Bonds (Municipal Facilities Project), Series A, 5.50% due 1/01/2032 (b)	5,326
10,000	California Infrastructure and Economic Development Bank, Bay Area Toll Bridges Revenue Bonds, First Lien, Series A, 5% due 7/01/2025 (c) (i)	11,334
	California State Public Works Board, Lease Revenue Bonds:	
5,500	(Department of Corrections), Series C, 5.25% due 6/01/2028	5,854
3,755	(Department of General Services), Series D, 5.25% due 6/01/2028	3,997
5,250	(Department of Mental Health--Coalinga State Hospital), Series A, 5.125% due 6/01/2029	5,534
12,000	California State, Various Purpose, GO, 5.25% due 11/01/2029	12,840
32,000	California State, Various Purpose, GO, Refunding, 5% due 6/01/2034 (d)	33,729
7,740	California Statewide Communities Development Authority, Health Facility Revenue Bonds (Memorial Health Services), Series A, 6% due 10/01/2023	8,617
4,205	California Statewide Communities Development Authority, Water Revenue Bonds (Pooled Financing Program), Series C, 5.25% due 10/01/2034 (g)	4,492
5,800	Fairfield-Suisun, California, Unified School District, GO (Election of 2002), 5.50% due 8/01/2028 (b)	6,403
6,060	Glendale, California, Community College District, GO (Election of 2002), Series D, 5% due 11/01/2031 (b)	6,483
13,155	Huntington Beach, California, Union High School District, GO (Election of 2004), 5% due 8/01/2029 (g)	13,916
1,000	Long Beach, California, Harbor Revenue Refunding Bonds, AMT, Series B, 5.20% due 5/15/2027 (b)	1,060
42,750	Los Angeles, California, Unified School District, GO, Series A, 5% due 1/01/2028 (b)	45,202
	Los Angeles, California, Water and Power Revenue Bonds (Power System) (g):	
12,775	Series B, 5% due 7/01/2035	13,386
35,200	Sub-Series A-1, 5% due 7/01/2035	37,305
7,500	Modesto, California, Irrigation District, COP, Refunding and Capital Improvements, Series A, 5% due 10/01/2036 (a)	7,957

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10,365	Pasadena, California, Area Community College District, GO (Election of 2002), Series B, 5% due 8/01/2031 (a)	11,073
145	Port of Oakland, California, Revenue Bonds, AMT, Series K, 5.75% due 11/01/2021 (c)	154
10,000	Riverside County, California, Public Financing Authority, Tax Allocation Revenue Bonds (Redevelopment Projects), 5% due 10/01/2035 (e)	10,458
3,000	Riverside County, California, Public Financing Authority, Tax Allocation Revenue Refunding Bonds (Jurupa Valley Project and Interstate 215 Corridor Project), 5% due 10/01/2023 (b)	3,221
	San Francisco, California, Bay Area Rapid Transit District, Sales Tax Revenue Bonds (g):	
7,500	5% due 7/01/2031	7,920
10,000	5% due 7/01/2036	10,539
8,170	San Francisco, California, Community College District, GO (Election of 2001), Series C, 5% due 6/15/2029 (g)	8,736
8,310	Stockton, California, Public Financing Authority, Lease Revenue Bonds (Parking & Capital Projects), 5.25% due 9/01/2034 (c)	8,911
12,000	West Valley Mission Community College District, California, GO (Election of 2004), Series A, 5% due 8/01/2030 (g)	12,810
=====		
Colorado--1.0%		
10,000	Colorado HFA, Revenue Refunding Bonds (Adventist Health System/Sunbelt Obligor Group), Series D, 5.125% due 11/15/2029	10,558
=====		
District of Columbia--3.6%		
	District of Columbia, Ballpark Revenue Bonds, Series B-1 (c):	
25,000	5% due 2/01/2031	26,420
10,000	5% due 2/01/2035	10,537
=====		
Florida--1.4%		
4,715	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series C, 5.25% due 11/15/2036	5,029
1,000	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, 5.375% due 10/01/2027 (c)	1,060
5,000	Orange County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), 5.625% due 11/15/2032	5,407
3,225	Pinellas County, Florida, Health Facilities Authority, Revenue Refunding Bonds (Pooled Hospital Loan Program), DATES, VRDN, 3.65% due 12/01/2015 (a) (h)	3,225
=====		
Georgia--4.6%		
	Atlanta, Georgia, Airport General Revenue Refunding Bonds (g):	
26,500	AMT, Series A, 5.125% due 1/01/2030	27,753
12,500	Series B, 5.25% due 1/01/2033	13,428
	Burke County, Georgia, Development Authority, PCR, Refunding, VRDN (a) (h):	
3,000	(Oglethorpe Power Corporation), 3.61% due 1/01/2021	3,000
3,000	(Oglethorpe Power Corporation--Vogtle),	

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	3.61% due 1/01/2022	3,000
=====		
Hawaii--0.5%		
2,000	Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (g)	2,168
3,000	Hawaii State Harbor System Revenue Bonds, AMT, Series A, 5% due 1/01/2031 (g)	3,130
=====		

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Schedule of Investments (continued)
BlackRock MuniYield Insured Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Illinois--4.8%		
\$ 15,400	Chicago, Illinois, GO, Series C, 5% due 1/01/2035 (b) Chicago, Illinois, O'Hare International Airport, Revenue Refunding Bonds, AMT:	\$ 16,097
1,500	Third Lien, Series C-2, 5.25% due 1/01/2034 (e)	1,577
13,000	Illinois Health Facilities Authority Revenue Refunding Bonds (University of Chicago Hospitals), VRDN, 3.63% due 8/01/2026 (b) (h)	13,000
5,000	Illinois State, GO, 5% due 4/01/2028 (a)	5,299
6,035	McLean and Woodford Counties, Illinois, Community Unit, School District Number 005, GO, Refunding, 6.375% due 12/01/2016 (g)	6,786
4,800	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project), Series B, 5.75% due 6/15/2023 (b)	5,301
1,000	Regional Transportation Authority, Illinois, Revenue Bonds, Series C, 7.75% due 6/01/2020 (c)	1,381
=====		
Indiana--5.6%		
2,250	Indiana Health Facilities Financing Authority, Hospital Revenue Bonds (Deaconess Hospital Obligated Group), Series A, 5.375% due 3/01/2034 (a)	2,419
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A:	
3,000	5.25% due 6/01/2026 (c)	3,268
3,750	5% due 6/01/2028 (g)	3,927
14,000	5.25% due 6/01/2028 (c)	15,078
20,000	5.25% due 6/01/2029 (c)	21,526
2,705	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Bonds (Waterworks Project), Series A, 5.125% due 7/01/2027 (b)	2,855
	Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Refunding Bonds (Indianapolis Airport Authority Project), AMT, Series B (b):	
2,000	5.25% due 1/01/2028	2,141
6,525	5.25% due 1/01/2030	6,975
=====		
Louisiana--6.6%		
3,750	Louisiana Local Government, Environmental	

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		Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a)	4,482
6,615		Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25% due 8/15/2036	6,996
31,255		Louisiana State, GO, Series C, 5% due 5/01/2022 (g)	33,654
		Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A:	
4,500		5% due 5/01/2025 (e)	4,801
13,000		5% due 5/01/2031 (g)	13,860
3,545		New Orleans, Louisiana, GO (Public Improvements), 5% due 10/01/2033 (b)	3,693
=====			
Massachusetts--4.5%			
2,500		Massachusetts State, HFA, Housing Development Revenue Refunding Bonds, Series B, 5.40% due 12/01/2028 (b)	2,582
12,805		Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series A, 5.15% due 7/01/2026 (g)	13,079
7,550		Massachusetts State Port Authority Revenue Bonds, Series A, 5% due 7/01/2033 (b)	7,902
		Massachusetts State Special Obligation Dedicated Tax Revenue Bonds (c)(f):	
10,160		5.25% due 1/01/2014	11,136
10,000		5.75% due 1/01/2014	11,273
=====			
Michigan--3.6%			
11,250		Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, Series B, 5% due 7/01/2036 (c)	11,903
4,325		Michigan Higher Education Student Loan Authority, Student Loan Revenue Bonds, AMT, Series XVII-Q, 5% due 3/01/2031 (a)	4,481
20,000		Wayne County, Michigan, Airport Authority Revenue Bonds (Detroit Metropolitan Wayne County Airport), AMT, 5% due 12/01/2029 (b)	20,905
=====			
Missouri--2.9%			
		Missouri Joint Municipal Electric Utility Commission, Power Project Revenue Bonds (Latan 2 Project), Series A (a):	
6,550		5% due 1/01/2026	6,986
7,930		5% due 1/01/2027	8,452
8,325		5% due 1/01/2028	8,860
150		Missouri State Housing Development Commission, S/F Mortgage Revenue Bonds (Homeownership Loan Program), AMT, Series C-1, 7.15% due 3/01/2032 (k)	153
5,000		Missouri State Housing Development Commission, S/F Mortgage Revenue Refunding Bonds (Homeownership Loan Program), AMT, Series D-1, 5% due 9/01/2037 (k)(l)	5,116
=====			
Nebraska--3.3%			
15,435		Nebraska Public Power District Revenue Bonds, Series A, 5% due 1/01/2035 (a)	16,137
6,780		Omaha Convention Hotel Corporation, Nebraska, Convention Center Revenue Bonds, First Tier, Series A, 5.125% due 4/01/2032 (a)	7,134
10,000		Omaha Public Power District, Nebraska, Electric	

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System Revenue Bonds, Series A, 5% due 2/01/2034		10,463
=====		
Nevada--7.5%		
25,000	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2, 5% due 7/01/2030 (c)	26,198
6,000	Henderson, Nevada, Health Care Facilities Revenue Bonds (Catholic Healthcare West), Series A, 5.625% due 7/01/2024	6,502
5,000	Humboldt County, Nevada, PCR, Refunding (Sierra Pacific Project), 6.55% due 10/01/2013 (a)	5,078
1,165	Reno, Nevada, Capital Improvement Revenue Bonds, 5.50% due 6/01/2019 (c)	1,264
12,500	Truckee Meadows, Nevada, Water Authority, Water Revenue Refunding Bonds, 4.75% due 7/01/2032 (g)	12,831
	Washoe County, Nevada, Gas Facilities Revenue Bonds (Sierra Pacific Power Company), AMT:	
15,000	6.65% due 12/01/2017 (a)	15,036
5,000	6.55% due 9/01/2020 (b)	5,078
5,000	Washoe County, Nevada, Water Facility Revenue Bonds (Sierra Pacific Power Company), AMT, 6.65% due 6/01/2017 (b)	5,118
=====		

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Schedule of Investments (continued)

BlackRock MuniYield Insured Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
New Hampshire--1.0%		
\$ 10,000	New Hampshire State Business Finance Authority, PCR, Refunding (Public Service Company Project), AMT, Series B, 4.75% due 5/01/2021 (b)	\$ 10,278
=====		
New Jersey--5.3%		
16,000	Garden State Preservation Trust of New Jersey, Open Space and Farmland Preservation Revenue Bonds, Series A, 5.75% due 11/01/2028 (g)	19,749
	New Jersey EDA, Cigarette Tax Revenue Bonds:	
3,060	5.75% due 6/15/2029	3,329
2,610	5.50% due 6/15/2031	2,780
14,135	5.75% due 6/15/2034	15,283
	New Jersey State Transportation Trust Fund Authority, Transportation System Revenue Bonds, Series C (a) (m):	
20,000	4.96% due 12/15/2035	5,631
20,000	5.03% due 12/15/2036	5,344
	Newark, New Jersey, Housing Authority, Port Authority--Port Newark Marine Terminal Additional Rent-Backed Revenue Bonds (City of Newark Redevelopment Projects) (b):	
1,500	5.50% due 1/01/2027	1,652
1,380	5.50% due 1/01/2028	1,520

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=====			
New Mexico--0.2%			
1,605	New Mexico Educational Assistance Foundation, Student Loan Revenue Refunding Bonds (Student Loan Program), AMT, First Sub-Series A-2, 6.65% due 11/01/2025		1,607
445	New Mexico Mortgage Finance Authority, S/F Mortgage Revenue Bonds, AMT, Series C-2, 6.95% due 9/01/2031 (k)		452
=====			
New York--15.4%			
10,250	Long Island Power Authority, New York, Electric System Revenue Bonds, Series A, 5.10% due 9/01/2029		10,836
12,500	Metropolitan Transportation Authority, New York, Commuter Facilities Revenue Refunding Bonds, Series B, 5.125% due 7/01/2024 (a)(i)		12,870
11,250	Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series F, 5% due 11/15/2030		11,878
30,000	New York City, New York, City Municipal Water Finance Authority, Water and Sewer System, Revenue Refunding Bonds, Series B, 5% due 6/15/2036 (g)		31,678
1,880	New York City, New York, GO: Series B, 5.875% due 8/01/2016 (b)		2,038
10,000	Series J, 5.25% due 5/15/2024		10,732
1,000	Series J, 5.25% due 5/15/2025		1,075
20,000	Series M, 5% due 4/01/2030 (n)		21,182
6,000	Sub-Series C-1, 5.25% due 8/15/2026		6,439
2,250	New York City, New York, IDA Civic Facilities Revenue Bonds (YMCA of Greater New York Project), 5% due 8/01/2026		2,361
11,865	New York State Dormitory Authority, Supported Debt Revenue Bonds (Mental Health Services Facilities Improvement), Series E, 5% due 2/15/2035		12,430
6,645	New York State Urban Development Corporation, Personal Income Tax Revenue Bonds, Series B, 5% due 3/15/2030 (g)		7,046
19,500	Port Authority of New York and New Jersey, Consolidated Revenue Bonds, AMT, One Hundred Thirty-Seventh Series, 5.125% due 7/15/2030 (g)		20,644
7,190	Port Authority of New York and New Jersey, Consolidated Revenue Refunding Bonds, AMT, One Hundred Thirty-Eighth Series, 5% due 12/01/2011 (c)		7,603
=====			
Pennsylvania--2.5%			
	Philadelphia, Pennsylvania, School District, GO, Series D (c):		
12,115	5.125% due 6/01/2034		12,838
6,000	5.25% due 6/01/2034		6,438
5,000	Sayre, Pennsylvania, Health Care Facilities Authority Revenue Bonds (Guthrie Healthcare System), Series B, 7.125% due 12/01/2031		5,993
=====			
South Carolina--4.1%			
5,000	Berkeley County, South Carolina, School District, Installment Lease Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2030		5,301
	Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds		

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		(Charleston County School District) (n):	
3,895	5.25%	due 12/01/2028	4,219
3,465	5.25%	due 12/01/2029	3,751
1,160	5.25%	due 12/01/2030	1,256
		Kershaw County, South Carolina, Public Schools Foundation, Installment Power Revenue Refunding Bonds (d):	
3,775	5%	due 12/01/2030	3,986
3,690	5%	due 12/01/2031	3,893
1,185		South Carolina Housing Finance and Development Authority, Mortgage Revenue Refunding Bonds, AMT, Series A-2, 6.35% due 7/01/2019 (g)	1,239
18,030		South Carolina Transportation Infrastructure Bank Revenue Bonds, Series A, 5% due 10/01/2029 (a)	18,826
=====			
Tennessee--4.1%			
3,955		Blount County, Tennessee, Public Building Authority, Local Government Public Improvement Revenue Bonds, VRDN, Series A3A, 3.65% due 6/01/2026 (a) (h)	3,955
		Sevier County, Tennessee, Public Building Authority, Local Government Public Improvement Revenue Bonds, VRDN (a) (h):	
3,580		Series IV-E-1, 3.61% due 6/01/2030	3,580
2,000		Series VI-D-3, 3.61% due 6/01/2033	2,000
100		Sevier County, Tennessee, Public Building Authority Revenue Bonds, Local Government Public Improvement IV, VRDN, Series F-1, 3.61% due 6/01/2025 (a) (h)	100
20,000		Tennessee Energy Acquisition Corporation, Gas Revenue Bonds, Series A, 5.25% due 9/01/2026 Tennessee HDA, Revenue Bonds (Homeownership Program), AMT, Series 2C:	22,661
1,795	6.05%	due 7/01/2012	1,844
2,250	6.15%	due 7/01/2014	2,294
		Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), AMT, Series A (g):	
3,340	5.25%	due 7/01/2022	3,443
2,365	5.35%	due 1/01/2026	2,437
=====			

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Schedule of Investments (continued)

BlackRock MuniYield Insured Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Texas--9.3%		
\$ 1,880	Bexar, Texas, Metropolitan Water District, Waterworks System Revenue Refunding Bonds, 6.35% due 5/01/2025 (b)	\$ 1,903
1,000	Dallas-Fort Worth, Texas, International Airport, Joint Revenue Bonds, AMT, Series A, 5% due 11/01/2035 (g)	1,009

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750	Dallas-Fort Worth, Texas, International Airport Revenue Refunding Bonds, DRIVERS, AMT, Series 336Z, 7.34% due 11/01/2026 (c) (j)	859
	Harris County-Houston Sports Authority, Texas, Revenue Refunding Bonds, Senior Lien, Series G (b):	
1,665	5.75% due 11/15/2019	1,808
3,500	5.75% due 11/15/2020	3,800
10,000	5.25% due 11/15/2030	10,621
18,650	Harris County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Texas Children's Hospital), VRDN, Series B-1, 3.62% due 10/01/2029 (b) (h)	18,650
15,000	North Texas Municipal Water District, Texas, Water System Revenue Bonds, 5% due 9/01/2031 (b)	15,970
5,890	North Texas Thruway Authority, Dallas North Thruway System Revenue Bonds, Series A, 5% due 1/01/2035 (g)	6,192
4,825	Texas State Department of Housing and Community Affairs, S/F Mortgage Revenue Bonds, AMT, Series A, 5.45% due 9/01/2023 (b) (k)	5,006
20,000	Texas State Transportation Commission, GO (Mobility Fund), Series A, 4.50% due 4/01/2035 (c)	19,841
10,000	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50% due 8/15/2039 (a)	10,848
=====		
Vermont--0.1%		
565	Vermont HFA, S/F Housing Revenue Bonds, AMT, Series 12B, 6.30% due 11/01/2019 (g)	571
=====		
Virginia--1.0%		
2,500	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)	2,737
7,695	Virginia Port Authority, Port Facilities Revenue Bonds, AMT, 5% due 7/01/2036 (c)	7,975
=====		
Washington--11.1%		
	Bellevue, Washington, GO, Refunding (b):	
2,545	5.25% due 12/01/2026	2,776
2,455	5.25% due 12/01/2027	2,651
2,850	5.25% due 12/01/2028	3,073
3,000	5.25% due 12/01/2029	3,231
17,600	5% due 12/01/2034	18,482
3,030	Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Bonds (Chelan Hydro System), AMT, Series A, 5.45% due 7/01/2037 (a)	3,252
	Chelan County, Washington, Public Utility District Number 001, Consolidated Revenue Refunding Bonds (Chelan Hydro System), AMT (b):	
6,595	Series B, 6.35% due 7/01/2026	6,837
6,000	Series C, 5.65% due 7/01/2032	6,468
10,000	King County, Washington, School District Number 401 (Highline), GO, 5.25% due 12/01/2025 (g)	10,994
10,000	Radford Court Properties, Washington, Student Housing Revenue Bonds, 5.75% due 6/01/2032 (b)	10,766
1,720	Seattle, Washington, Drain and Wastewater Utility Revenue Bonds, 5.75% due 11/01/2009 (b) (f)	1,843
	Skagit County, Washington, Public Hospital District, GO (b):	

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4,945	Series A, 5.25% due 12/01/2025	5,347
5,450	Series A, 5.25% due 12/01/2026	5,889
5,300	Tacoma, Washington, Regional Water Supply System, Water Revenue Bonds, 5% due 12/01/2032 (b)	5,514
7,250	Tacoma, Washington, Solid Waste Utility Revenue Refunding Bonds, Series B, 5.50% due 12/01/2007 (a) (f)	7,470
7,000	Washington State Health Care Facilities Authority Revenue Bonds (Providence Health System), Series A, 5.25% due 10/01/2021 (b)	7,390
12,035	Washington State, Motor Vehicle Fuel Tax, GO, Series B, 5% due 7/01/2031 (g)	12,793
=====		
West Virginia--0.6%		
5,925	Harrison County, West Virginia, County Commission for Solid Waste Disposal Revenue Bonds (Monongahela Power), AMT, Series C, 6.75% due 8/01/2024 (a)	5,940
=====		
Wisconsin--0.4%		
3,395	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Synergyhealth Inc.), 6% due 11/15/2032	3,709
=====		
Puerto Rico--0.5%		
5,000	Puerto Rico Commonwealth, Public Improvement, GO, Series A, 5.25% due 7/01/2027	5,405

	Total Municipal Bonds (Cost--\$1,351,219)--137.9%	1,419,820
=====		
Municipal Bonds Held in Trust (o)		
=====		
California--6.5%		
12,900	California State, GO, 5.50%, due 4/1/2030 (b)	14,167
14,900	California State, Various Purpose, GO, 5.50% due 11/1/2033 (b)	16,357
10,030	Gavilan, California, Joint Community College District, GO (Election of 2004), Series A, 5.50% due 8/01/2028 (a)	11,073
14,000	Port of Oakland, California, Revenue Bonds, AMT, Series K, 5.75% due 11/01/2021 (c)	14,915
9,460	Port of Oakland, California, Revenue Refunding Bonds, AMT, Series L, 5.375% due 11/01/2027 (c)	10,179
=====		
Florida--1.1%		
10,750	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, 5.375% due 10/01/2025 (c)	11,404
=====		

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Schedule of Investments (concluded)

BlackRock MuniYield Insured Fund, Inc.

(in Thousands)

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Face Amount	Municipal Bonds Held in Trust (o)	Value
=====		
Illinois--8.1%		
\$ 16,400	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series C-2, 5.25% due 1/01/2030 (g)	\$ 17,258
	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2, 5.25% due 1/01/2027 (b)	17,595
16,680		
26,230	6% due 1/01/2027 (b)	29,435
17,200	6% due 1/01/2029 (e)	19,301
=====		
Louisiana--1.5%		
15,000	Louisiana Public Facilities Authority, Mortgage Revenue Refunding Bonds (Baton Rouge General Medical Center Project), 5.25% due 7/01/2033 (b)	16,012
=====		
Michigan--1.4%		
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT: (e)	
8,000	Series A, 5.50% due 6/01/2030	8,626
5,000	Series C, 5.65% due 9/01/2029	5,327
=====		
New Jersey--3.1%		
	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds: (b)	
14,665	Series A, 5.25% due 7/01/2031	15,787
15,000	Series A, 5.25% due 7/01/2033	16,147
=====		
Nevada--1.3%		
12,675	Clark County, Nevada, IDR (Southwest Gas Corporation Project), AMT, Series A, 5.25% due 7/01/2034 (a)	13,390
=====		
Oklahoma--0.9%		
8,680	Oklahoma State Industries Authority Revenue Refunding Bonds (Health System-Obligation Group), Series A, 5.75% due 8/15/2029 (b)	9,215
=====		
Pennsylvania--1.7%		
15,600	Pennsylvania State Turnpike Commission, Turnpike Revenue Bonds, Series A, 5.50% due 12/01/2031 (a)	17,304
=====		
Texas--6.7%		
21,000	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 5.50% due 11/01/2033 (b)	22,601
13,500	Dallas-Fort Worth, Texas, International Airport, Revenue Refunding and Improvement Bonds, AMT, Series A, 5.625% due 11/01/2026 (c)	14,479
30,000	Houston, Texas, Airport System Revenue Refunding Bonds, Sub-Lien, Series B, 5.50% due 7/01/2030 (g)	31,760
=====		
Washington--4.1%		
20,565	Port Seattle, Washington, Revenue Refunding Bonds, Series B, AMT, 5.20% due 7/01/2029 (b)	21,528
20,000	Washington State, Various Purpose, GO, Series A, 5.625% due 7/01/2010 (b) (f)	21,272

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Total Municipal Bonds Held in Trust (Cost--\$352,884)--36.4%	375,132
=====	
Total Investments (Cost--\$1,704,103*)--174.3%	1,794,952
Liabilities in Excess of Other Assets--(1.8%)	(18,792)
Liability for Trust Certificates, Including Interest Expense Payable--(17.1%)	(175,656)
Preferred Stock, at Redemption Value--(55.4%)	(570,456)
Net Assets Applicable to Common Stock--100.0%	\$1,030,048
	=====

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 1,548,282
	=====
Gross unrealized appreciation	\$ 72,573
Gross unrealized depreciation	(19)

Net unrealized appreciation	\$ 72,554
	=====

- (a) AMBAC Insured.
 - (b) MBIA Insured.
 - (c) FGIC Insured.
 - (d) CIFG Insured.
 - (e) XL Capital Insured.
 - (f) Prerefunded.
 - (g) FSA Insured.
 - (h) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
 - (i) Escrowed to maturity.
 - (j) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
 - (k) FNMA/GNMA Collateralized.
 - (l) FHLMC Collateralized.
 - (m) Represents a zero coupon bond; the interest rate shown is the effective yield at the time of purchase.
 - (n) Assured Guaranty Insured.
 - (o) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1(c) to Financial Statements for details of Municipal Bonds Held in Trust.
- o Forward interest rate swaps outstanding as of October 31, 2006 were as follows:

	Notional Amount	Unrealized Appreciation

Pay a fixed rate of 3.636% and receive a floating rate based on 1-week Bond Market Association Rate		

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Broker, JPMorgan Chase
 Expires February 2017 \$337,000 \$ 228

- o Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	--	\$ 115

See Notes to Financial Statements.

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Schedule of Investments as of October 31, 2006
 BlackRock MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds	Value
California--19.1%		
\$ 4,150	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Subordinate Lien, Series A, 5.45% due 10/01/2025 (a) (n)	\$ 3,368
1,250	Anaheim, California, Public Financing Authority, Electric System Distribution Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f)	1,317
2,940	California State, GO, 5.50% due 4/01/2028	3,248
4,450	California State, GO, Refunding: 5.25% due 9/01/2010 (h)	4,727
2,300	5.125% due 6/01/2027	2,396
3,450	California State University, Systemwide Revenue Bonds, Series A, 5% due 11/01/2035 (d)	3,612
10,000	California State, Various Purpose, GO: 5.25% due 11/01/2029	10,700
3,200	5.50% due 11/01/2033	3,519
1,200	Chino Valley, California, Unified School District, GO (Election of 2002), Series C, 5.25% due 8/01/2030 (g)	1,307
2,150	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2026 (b)	2,283
1,600	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds Series B, 5.50% due 6/01/2013 (b) (h)	1,778
5,000	Hacienda-La Puente, California, Unified School District, GO (Election of 2000), Series B, 5% due 8/01/2027 (f)	5,257
10,650	Los Angeles, California, Unified School District, GO, Series A, 5% due 1/01/2028 (g)	11,261
4,000	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1 (d): 5% due 10/01/2029	4,237

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2,275	5% due 10/01/2036	2,387
2,000	Mount Diablo, California, Unified School District, GO (Election of 2002), 5% due 7/01/2027 (d)	2,102
2,750	Orange County, California, Sanitation District, COP, 5% due 2/01/2033 (d)	2,878
2,000	Poway, California, Redevelopment Agency, Tax Allocation Refunding Bonds (Paguay Redevelopment 5.125% due 6/15/2033 (a)	2,101
2,100	Sacramento, California, Unified School District, GO (Election of 2002), 5% due 7/01/2030 (g)	2,233
9,000	San Diego County, California, Water Authority, Water Revenue Refunding Bonds, COP, Series A, 5% due 5/01/2032 (g)	9,428
2,725	San Mateo County, California, Community College District, GO (Election of 2001), Series A, 5% due 9/01/2026 (d)	2,865
1,950	Tamalpais, California, Union High School District, GO (Election of 2001), 5% due 8/01/2028 (f)	2,049
3,150	Ventura County, California, Community College District, GO (Election of 2002), Series B, 5% due 8/01/2030 (g)	3,349
=====		
Colorado--4.0%		
Colorado Health Facilities Authority Revenue Bonds:		
1,650	(Catholic Health Initiatives), Series A, 5.50% due 3/01/2032 (c)	1,791
1,600	(Covenant Retirement Communities Inc.), Series A, 5.50% due 12/01/2027 (j)	1,715
1,000	(Covenant Retirement Communities Inc.), Series A, 5.50% due 12/01/2033 (j)	1,069
1,065	Colorado Housing and Finance Authority, Revenue Refunding Bonds (S/F Program), AMT, Series B-2, 6.80% due 2/01/2031 (g)	1,105
9,000	E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Refunding Bonds, Series B, 5.485% due 9/01/2029 (g) (n)	2,893
11,125	Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Revenue Bonds, Senior Convertible, Series C, 5.345% due 6/15/2025 (f) (n)	10,031
=====		
District of Columbia--0.8%		
1,200	District of Columbia, COP, 5% due 1/01/2025 (d)	1,272
2,500	District of Columbia, Revenue Refunding Bonds (Catholic University of America Project), 5.625% due 10/01/2029 (a)	2,652
=====		
Florida--2.2%		
2,235	Beacon Tradeport Community Development District, Florida, Special Assessment Revenue Refunding Bonds (Commercial Project), Series A, 5.625% due 5/01/2032 (j)	2,432
2,065	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series C, 5.25% due 11/15/2036	2,203
5,200	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B, 5.125% due 1/01/2032 (d)	5,505
=====		
Georgia--5.3%		
3,500	Atlanta, Georgia, Airport Passenger Facility Charge and Subordinate Lien, General Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f)	3,665
4,270	Atlanta, Georgia, Water and Wastewater Revenue Bonds: 5% due 11/01/2034 (f)	4,500

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1,200	Series A, 5% due 11/01/2033 (g)	1,247
1,675	Series A, 5% due 11/01/2039 (g)	1,737
	Augusta, Georgia, Water and Sewer Revenue Bonds (f):	
5,000	5.25% due 10/01/2034	5,406
2,820	5.25% due 10/01/2039	3,039
4,785	Monroe County, Georgia, Development Authority, PCR, Refunding (Oglethorpe Power Corporation -- Scherer), Series A, 6.80% due 1/01/2011	5,317
=====		
Hawaii--0.5%		
2,000	Hawaii State, GO, Series CX, 5.50% due 2/01/2021 (f)	2,168
=====		
Illinois--16.2%		
	Chicago, Illinois, GO (Lakefront Millennium Parking Facilities) (g):	
5,000	5.125% due 1/01/2028	5,221
2,500	5.75% due 1/01/2029 (n)	2,764
	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2:	
3,400	5.75% due 1/01/2023 (f)	3,750
4,000	5.75% due 1/01/2024 (f)	4,409
3,300	6% due 1/01/2029 (b)	3,703
	Chicago, Illinois, O'Hare International Airport, Revenue Refunding Bonds, AMT:	
2,665	3rd Lien, Series A-2, 5.75% due 1/01/2021 (f)	2,941
3	DRIVERS, Series 250, 7.584% due 1/01/2021 (g) (i)	3
5,080	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2012 (a) (h)	5,600
	Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds (a):	
28,525	5.212% due 6/15/2030 (n)	26,225
5,500	5% due 6/15/2032	5,742

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Schedule of Investments (continued)

BlackRock MuniYield Quality Fund, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Illinois (concluded)		
\$ 3,750	Illinois Student Assistance Commission, Student Loan Revenue Refunding Bonds, AMT, Sub-Series CC, 6.875% due 3/01/2015	\$ 3,757
	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project):	
7,000	5.50% due 12/15/2024 (d)	7,420
3,500	Series B, 5.75% due 6/15/2023 (g)	3,865
=====		
Indiana--5.2%		
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A:	
3,750	5% due 6/01/2028 (f)	3,927
7,500	5.25% due 6/01/2029 (d)	8,072

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		Indianapolis, Indiana, Local Public Improvement Bond Bank, Revenue Refunding Bonds (Indianapolis Airport Authority Project), AMT, Series B (g):	
6,470		5.25% due 1/01/2028	6,926
5,055		5.25% due 1/01/2030	5,403
=====			
Louisiana--6.1%			
8,500		Louisiana Local Government, Environmental Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a)	10,158
2,800		Louisiana State Citizens Property Insurance Corporation, Assessment Revenue Bonds, Series B, 5% due 6/01/2023 (a)	2,996
4,675		Louisiana State Transportation Authority, Senior Lien Toll Revenue Capital Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a) (n)	1,588
		New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Special Tax, Sub-Series A (a):	
6,150		5.25% due 7/15/2028	6,498
5,000		5% due 7/15/2033	5,161
1,900		Terrebonne Parish, Louisiana, Hospital Service District Number 1, Hospital Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2033 (a)	2,076
=====			
Maryland--1.3%			
5,615		Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Senior Series A, 5.25% due 9/01/2039 (b)	6,105
=====			
Massachusetts--6.8%			
		Massachusetts Bay, Massachusetts, Transportation Authority, General Transportation System Revenue Refunding Bonds, Series A (g):	
3,730		7% due 3/01/2011	4,225
3,550		7% due 3/01/2014	4,229
4,000		Massachusetts State, HFA, Rental Housing Mortgage Revenue Bonds, AMT, Series C, 5.60% due 1/01/2045 (f)	4,271
2		Massachusetts State Port Authority, Special Facilities Revenue Bonds, DRIVERS, AMT, Series 501, 7.08% due 7/01/2009 (a) (i)	2
14,400		Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f)	15,293
2,400		Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25% due 1/01/2014 (d) (h)	2,631
1,210		Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125% due 8/01/2027 (g)	1,281
=====			
Michigan--3.5%			
2,350		Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, Series B, 5% due 7/01/2036 (d)	2,486
2,300		Michigan Higher Education Student Loan Authority, Student Loan Revenue Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)	2,416
		Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (b):	
1,700		Series A, 5.50% due 6/01/2030	1,833
3,300		Series C, 5.65% due 9/01/2029	3,516

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5,800	Series C, 5.45% due 12/15/2032	6,169
=====		
Minnesota--0.5%		
2,100	Dakota County, Minnesota Community Development Agency, S/F Mortgage Revenue Bonds (Mortgage-Backed Securities Program) Series B, 5.15% due 12/01/2038 (o) (p)	2,192
=====		
Nebraska--2.0%		
6,315	Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series A, 5% due 4/01/2033 (f)	6,600
2,300	Washington County, Nebraska, Wastewater Facilities Revenue Bonds (Cargill Inc. Project), AMT, 5.90% due 11/01/2027	2,509
=====		
Nevada--8.0%		
4,100	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50% due 9/01/2033 (j)	4,416
	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (d):	
2,000	5% due 7/01/2030	2,096
19,100	5% due 7/01/2036	19,951
4,750	Clark County, Nevada, IDR (Southwest Gas Corp. Project), AMT, Series A, 4.75% due 9/01/2036 (d)	4,807
5,710	Washoe County, Nevada, School District, GO, 5.875% due 12/01/2009 (f) (h)	6,095
=====		
New Hampshire--3.4%		
10,000	New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (f)	10,843
5,000	New Hampshire State Business Finance Authority, PCR, Refunding (Public Service Company), AMT, Series D, 6% due 5/01/2021 (g)	5,256
=====		
New Jersey--4.4%		
	New Jersey EDA, Cigarette Tax Revenue Bonds:	
910	5.75% due 6/15/2029	990
1,385	5.50% due 6/15/2031	1,475
5,500	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A, 5.25% due 7/01/2031 (g)	5,927
	New Jersey EDA, School Facilities Construction Revenue Bonds, Series O:	
3,860	5.125% due 3/01/2028	4,114
7,500	5.125% due 3/01/2030	7,983
=====		
New York--4.7%		
8,990	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (d)	9,447
8,000	New York State Thruway Authority, General Revenue Refunding Bonds, Series G, 5% due 1/01/2032 (f)	8,514

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Face Amount	Municipal Bonds	Value
=====		
New York (concluded)		
\$ 3,570	Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a)	\$ 3,834
=====		
Ohio--1.5%		
2,500	Columbus, Ohio, City School District, GO (School Facilities Construction and Improvements), 5.25% due 12/01/2014 (f) (h)	2,771
2,000	Jackson, Ohio, Hospital Facilities Revenue Bonds (Consolidated Health System--Jackson Hospital), 6.125% due 10/01/2009 (h) (j)	2,155
2,200	Ohio State Air Quality, Development Authority Revenue Bonds (Dayton Power and Light Company Project), 4.80% due 9/01/2036 (d)	2,238
=====		
Oklahoma--0.5%		
	Tulsa, Oklahoma, Airports Improvement Trust, General Revenue Bonds (Tulsa International Airport), AMT, Series B (d):	
1,000	6% due 6/01/2019	1,069
1,000	6.125% due 6/01/2026	1,072
=====		
Pennsylvania--7.1%		
	Pennsylvania State Public School Building Authority, School Lease Revenue Bonds (The School District of Philadelphia Project) (f):	
6,000	5.25% due 6/01/2025	6,477
19,025	5% due 6/01/2033	19,936
6,250	Philadelphia, Pennsylvania, Authority for Industrial Development, Lease Revenue Bonds, Series B, 5.50% due 10/01/2021 (f)	6,777
=====		
Rhode Island--0.5%		
2,500	Providence, Rhode Island, GO, Series A, 5.70% due 7/15/2007 (f) (h)	2,562
=====		
South Carolina--3.6%		
3,750	Berkeley County, South Carolina, School District, Installment Lease Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2030	3,976
3,200	Kershaw County, South Carolina, Public Schools Foundation, Installment Power Revenue Refunding Bonds, 5% due 12/01/2029 (k)	3,382
8,900	South Carolina Transportation Infrastructure Bank Revenue Bonds, Series A, 5% due 10/01/2033 (a)	9,274
=====		
Tennessee--4.0%		
7,850	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Redevelopment Corporation), 5.875% due 10/01/2024 (a)	8,460
5,000	Memphis-Shelby County, Tennessee, Airport Authority, Airport Revenue Bonds, AMT, Series D, 6.25% due 3/01/2018 (a)	5,401
	Tennessee HDA, Homeownership Revenue Bonds, AMT, Series 2-C (a):	

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2,075	6.10% due 7/01/2013	2,133
2,390	6.20% due 7/01/2015	2,438
=====		
Texas--10.9%		
2,000	Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), Trust Certificates, Second Tier, Series B, 6% due 1/01/2023	2,120
1,000	Bell County, Texas, Health Facilities Development Revenue Bonds (Lutheran General Health Care System), 6.50% due 7/01/2019 (c)	1,228
	Dallas-Fort Worth, Texas, International Airport Revenue Refunding and Improvement Bonds, AMT, Series A (d):	
1,835	5.875% due 11/01/2017	1,994
2,145	5.875% due 11/01/2018	2,331
2,385	5.875% due 11/01/2019	2,591
	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project) (j):	
6,000	6.875% due 10/01/2020	6,749
2,600	6.375% due 10/01/2025	2,878
4,000	Harris County--Houston Sports Authority, Texas, Revenue Refunding Bonds, Senior Lien, Series G, 5.75% due 11/15/2020 (g)	4,343
	Leander, Texas, Independent School District, Capital Appreciation, GO, Refunding (School Building) (n):	
9,250	5.46% due 8/15/2028 (d)	3,066
13,350	5.58% due 8/15/2035	2,913
7,150	North Harris County, Texas, Regional Water Authority, Senior Lien Revenue Bonds, 5.125% due 12/15/2035 (g)	7,557
7,200	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.75% due 8/15/2038 (a)	7,919
4,600	Travis County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds (Ascension Health Credit), Series A, 6.25% due 11/15/2009 (g) (h)	4,985
=====		
Utah--3.7%		
15,000	Salt Lake City, Utah, Hospital Revenue Refunding Bonds (IHC Hospitals Inc.), 6.30% due 2/15/2015 (g)	17,333
=====		
Virginia--0.7%		
3,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)	3,394
=====		
Washington--2.8%		
2,400	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2034 (a)	2,578
5,100	Tacoma, Washington, Regional Water Supply System, Water Revenue Bonds, 5% due 12/01/2032 (g)	5,306
5,000	Washington State, GO, Series A and AT-6, 6.25% due 2/01/2011 (f)	5,288
=====		
Puerto Rico--1.9%		
	Puerto Rico Electric Power Authority, Power Revenue Bonds:	
1,475	Series II, 5.25% due 7/01/2031	1,566
6,925	Series NN, 5.125% due 7/01/2029	7,310

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Total Municipal Bonds		611,430
(Cost--\$580,079)--131.2%		

Municipal Bonds Held in Trust (q)		
Arizona--1.4%		
6,000	Maricopa County, Arizona, Public Finance Corporation, Lease Revenue Bonds, 5.50% due 7/01/2014 (a)	6,460
California--7.1%		
5,700	California State, GO, Refunding, 5.25% due 2/01/2033 (j)	6,149

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Schedule of Investments (concluded)
BlackRock MuniYield Quality Fund, Inc. (in Thousands)

Face Amount	Municipal Bonds Held in Trust (q)	Value
California (concluded)		
	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series B (h):	
\$ 10,000	5.50% due 6/01/2013 (b)	\$ 11,113
14,160	5.625% due 6/01/2013 (k)	15,838
Georgia--2.2%		
10,000	Atlanta, Georgia, Airport Passenger Facility Charge, Subordinate Lien Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f)	10,472
Illinois--9.4%		
10,000	Chicago, Illinois, Board of Education, GO (Chicago School Reform Project), 5.75% due 12/01/2027 (a)	10,426
	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A (g):	
13,665	5.75% due 1/01/2021	14,770
5,000	5.50% due 1/01/2022	5,339
12,500	5.375% due 1/01/2032	13,270
Massachusetts--0.9%		
3,825	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Delta Air Lines Inc. Project), AMT, Series A, 5.50% due 1/01/2019 (a)	4,030
New Jersey--3.1%		
	New Jersey EDA, Cigarette Tax Revenue Bonds (e):	
7,150	5.50% due 6/15/2024	7,768
6,000	5.50% due 6/15/2031	6,518

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=====		
New York--3.3%		
13,840	New York City, New York, GO, Series B, 5.875% due 8/01/2016 (g)	15,000
=====		
Oregon--3.5%		
	Portland, Oregon, Sewer System Revenue Bonds: (d) (h)	
5,000	Series A, 5.75% due 8/01/2010	5,381
10,000	Series A, 5.75% due 8/01/2010	10,762
=====		
Texas--2.4%		
10,470	Denton, Texas, Utility System Revenue Bonds, Series A, 6% due 12/01/2010 (f) (h)	11,416
=====		
Washington--4.7%		
20,000	Energy Northwest, Washington, Electric Revenue Refunding Bonds (Project Number 1), Series A, 5.75% due 7/01/2017 (g)	22,068

	Total Municipal Bonds Held in Trust (Cost--\$168,549)--38.0%	176,780
=====		
Shares		
Held	Short-Term Securities	
=====		
6,716	Merrill Lynch Institutional Tax-Exempt Fund, 3.38% (1) (m)	6,716

	Total Short-Term Securities (Cost--\$6,716)--1.4%	6,716
=====		
Total Investments (Cost--\$755,344*)--170.6%		794,926
Liability for Trust Certificates, Including Interest Expense Payable--(18.6%)		(86,406)
Other Assets Less Liabilities--1.6%		7,615
Preferred Stock, at Redemption Value--(53.6%)		(250,133)
Net Assets Applicable to Common Stock--100.0%		\$ 466,002
=====		

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 671,175
	=====
Gross unrealized appreciation	\$ 38,748
Gross unrealized depreciation	(54)

Net unrealized appreciation	\$ 38,323
	=====

- (a) AMBAC Insured.
- (b) XL Capital Insured.
- (c) Escrowed to maturity.
- (d) FGIC Insured.

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- (e) Assured Guaranty Insured.
- (f) FSA Insured.
- (g) MBIA Insured.
- (h) Prerefunded.
- (i) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (j) Radian Insured.
- (k) CIFG Insured.
- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(4,784)	\$ 145

- (m) Represents the current yield as of October 31, 2006
- (n) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- (o) FNMA/GNMA Collateralized.
- (p) FHLMC Collateralized.
- (q) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1(c) to Financial Statements for details of Municipal Bonds Held in Trust.
- o Forward interest rate swaps outstanding as of October 31, 2006 were as follows:

	Notional Amount	Unrealized Appreciation (Depreciation)
Pay a fixed rate of 3.636% and receive a floating rate based on 1-week Bond Market Association Rate		
Broker, JPMorgan Chase Expires February 2017	\$58,000	\$ 39
Pay a fixed rate of 3.855% and receive a floating Rate based on 1-week Bond Market Association Rate		
Broker, Citibank, N.A. Expires January 2022	\$ 7,000	(50)
Total		\$ (11)

See Notes to Financial Statements.

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Schedule of Investments as of October 31, 2006

BlackRock MuniYield Quality Fund II, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
<hr/>		
Arizona--1.0%		
\$ 2,700	Northern Arizona University System Revenue Bonds, 5.50% due 6/01/2034 (c)	\$ 2,974
<hr/>		
California--26.8%		
7,150	Alameda Corridor Transportation Authority, California, Capital Appreciation Revenue Refunding Bonds, Sub- ordinate Lien, Series A, 5.33% due 10/01/2025 (a) (n)	5,802
3,800	Anaheim, California, Public Financing Authority, Electric System Distribution Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (f)	4,002
2,500	California Health Facilities Financing Authority Revenue Bonds (Kaiser Permanente), RIB, Series 26, 7.14% due 6/01/2022 (f) (j)	2,743
2,200	California State, GO, Refunding: 5.25% due 9/01/2010 (g)	2,337
1,500	5.125% due 6/01/2027	1,562
1,600	California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5% due 6/01/2025	1,679
2,200	California State University, Systemwide Revenue Bonds, Series A, 5% due 11/01/2035 (c)	2,303
2,750	California State, Various Purpose, GO: 5.25% due 11/01/2029	2,942
6,500	5.50% due 11/01/2033	7,148
15,000	East Side Union High School District, California, Santa Clara County, Capital Appreciation, GO (Election of 2002), Series E, 5.15% due 8/01/2029 (h) (n)	4,932
1,370	East Side Union High School District, California, Santa Clara County, GO (Election of 2002), Series D, 5% due 8/01/2026 (h)	1,455
2,770	Fairfield-Suisun, California, Unified School District, GO (Election of 2002), 5.50% due 8/01/2028 (i)	3,058
2,300	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series B (g): 5.50% due 6/01/2013 (h)	2,556
3,725	5.625% due 6/01/2013 (b)	4,167
2,815	John Swett Unified School District, California, GO, Series A, 5.50% due 8/01/2026 (f)	3,050
9,300	Los Angeles, California, Unified School District, GO, Series A, 5% due 1/01/2028 (i)	9,833
2,600	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1 (c): 5% due 10/01/2029	2,754
1,475	5% due 10/01/2036	1,548
2,300	Orange County, California, Sanitation District, COP, 5% due 2/01/2033 (c)	2,407
2,900	Palm Springs, California, Financing Authority, Lease Revenue Refunding Bonds (Convention Center Project), Series A, 5.50% due 11/01/2029 (i)	3,233
1,250	Poway, California, Redevelopment Agency, Tax	

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	Allocation Refunding Bonds (Paguay Redevelopment Project), 5.125% due 6/15/2033 (a)	1,313
6,000	Sacramento, California, Municipal Utility District, Electric Revenue Bonds, Series N, 5% due 8/15/2028 (i)	6,272
1,350	Sacramento, California, Unified School District, GO (Election of 2002), 5% due 7/01/2030 (i)	1,436
1,325	Tamalpais, California, Union High School District, GO (Election of 2001), 5% due 8/01/2028 (f)	1,392
2,025	Ventura County, California, Community College District, GO (Election of 2002), Series B, 5% due 8/01/2030 (i)	2,153
=====		
Colorado--6.0%		
	Colorado Health Facilities Authority Revenue Bonds, Series A:	
1,150	(Catholic Health Initiatives), 5.50% due 3/01/2032 (d)	1,248
1,200	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2027 (k)	1,286
675	(Covenant Retirement Communities Inc.), 5.50% due 12/01/2033 (k)	722
1,245	Colorado Housing and Finance Authority, Revenue Refunding Bonds (S/F Program), AMT, Series B-2, 6.80% due 2/01/2031 (i)	1,292
7,500	E-470 Public Highway Authority, Colorado, Capital Appreciation Revenue Refunding Bonds, Series B, 5.607% due 9/01/2032 (i) (n)	2,029
10,975	Northwest Parkway, Colorado, Public Highway Authority, Capital Appreciation Revenue Bonds, Senior Convertible, Series C, 5.327% due 6/15/2025 (f) (n)	9,895
1,735	Northwest Parkway, Colorado, Public Highway Authority Revenue Bonds, Series A, 5.50% due 6/15/2021 (a)	1,890
=====		
District of Columbia--1.6%		
4,710	District of Columbia, COP, 5% due 1/01/2025 (c)	4,994
=====		
Florida--1.7%		
1,250	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series C, 5.25% due 11/15/2036	1,333
3,575	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series B, 5.125% due 1/01/2032 (c)	3,785
=====		
Georgia--6.9%		
5,000	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Series B, 5.25% due 1/01/2033 (f)	5,371
5,000	Atlanta, Georgia, Airport Revenue Refunding Bonds, Series A, 5.875% due 1/01/2017 (c)	5,365
2,850	Atlanta, Georgia, Water and Wastewater Revenue Bonds: 5% due 11/01/2034 (f)	3,004
800	Series A, 5% due 11/01/2033 (i)	832
4,075	Series A, 5% due 11/01/2039 (i)	4,226
1,880	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/01/2039 (f)	2,026
=====		
Illinois--15.1%		
	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Third Lien, AMT, Series B-2:	
5,200	5.75% due 1/01/2023 (f)	5,735
2,200	6% due 1/01/2029 (h)	2,469
2,460	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50% due 11/15/2012 (a) (g)	2,712

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10,000	Illinois Regional Transportation Authority Revenue Bonds, 6.50% due 7/01/2026 (i)	13,105
21,675	Illinois Sports Facilities Authority, State Tax Supported Revenue Bonds, 5.264% due 6/15/2030 (a)(n)	19,927
2,000	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Bonds (McCormick Place Expansion), Series A, 5% due 12/15/2028 (i)	2,093

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Schedule of Investments (continued)

BlackRock MuniYield Quality Fund II, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
Indiana--4.2%		
	Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A:	
\$ 3,350	5% due 6/01/2028 (f)	\$ 3,509
3,750	5.25% due 6/01/2028 (c)	4,039
5,000	5.25% due 6/01/2029 (c)	5,381
=====		
Louisiana--7.0%		
1,950	Jefferson Parish, Louisiana, Home Mortgage Authority, S/F Mortgage Revenue Bonds, AMT, Series B-1, 6.65% due 12/01/2033 (e)(i)	2,032
5,500	Lafayette, Louisiana, Utilities Revenue Bonds, 5% due 11/01/2028 (i)	5,819
3,900	Louisiana Local Government, Environmental Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (a)	4,661
1,800	Louisiana State Citizens Property Insurance Corporation, Assessment Revenue Bonds, Series B, 5% due 6/01/2023 (a)	1,926
3,185	Louisiana State Transportation Authority, Senior Lien Toll Revenue Capital Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a)(n)	1,082
4,200	New Orleans, Louisiana, Ernest N. Morial Exhibit Hall Authority, Special Tax, Sub-Series A, 5.25% due 7/15/2028 (a)	4,438
1,300	Terrebonne Parish, Louisiana, Hospital Service District Number 1, Hospital Revenue Bonds (Terrebonne General Medical Center Project), 5.50% due 4/01/2033 (a)	1,420
=====		
Massachusetts--3.0%		
5,800	Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, Series A, 5% due 8/15/2030 (f)	6,160
1,800	Massachusetts State Special Obligation Dedicated Tax Revenue Bonds, 5.25% due 1/01/2014 (c)(g)	1,973
840	Massachusetts State Water Resource Authority, General Revenue Refunding Bonds, Series B, 5.125%	

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		due 8/01/2027 (i)	889
=====			
Michigan--2.6%			
1,500	Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, Series B, 5% due 7/01/2036 (c)		1,587
1,000	Michigan Higher Education Student Loan Authority, Student Loan Revenue Refunding Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)		1,050
	Michigan State Strategic Fund, Limited Obligation Revenue Refunding Bonds (Detroit Edison Company Pollution Control Project), AMT (h):		
1,000	Series A, 5.50% due 6/01/2030		1,078
3,900	Series C, 5.45% due 12/15/2032		4,148
=====			
Minnesota--0.5%			
1,350	Dakota County, Minnesota Community Development Agency, S/F Mortgage Revenue Bonds (Mortgage-Backed Securities Program) Series B, 5.15% due 12/01/2038 (e) (p)		1,409
=====			
Missouri--1.9%			
	Saint Louis County, Missouri, Pattonville R-3 School District, GO (Missouri Direct Deposit Program) (c) (g):		
4,000	5.75% due 3/01/2010		4,310
1,500	6% due 3/01/2010		1,627
=====			
Nebraska--0.4%			
1,300	Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series A, 5% due 4/01/2033 (f)		1,359
=====			
Nevada--3.9%			
2,800	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Project), Series A, 5.50% due 9/01/2033 (k)		3,016
	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds, Series A-2 (c):		
1,500	5% due 7/01/2030		1,572
2,700	5% due 7/01/2036		2,820
4,450	Clark County, Nevada, IDR (Southwest Gas Corp. Project), AMT, Series A, 4.75% due 9/01/2036 (c)		4,503
=====			
New Jersey--5.9%			
	New Jersey EDA, Cigarette Tax Revenue Bonds:		
1,070	5.75% due 6/15/2029		1,164
500	5.50% due 6/15/2031		533
	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A (i):		
2,400	5% due 7/01/2029		2,534
4,800	5.25% due 7/01/2033		5,170
	New Jersey EDA, School Facilities Construction Revenue Bonds:		
4,250	Series O, 5.125% due 3/01/2028		4,530
4,000	Series P, 5.125% due 9/01/2028		4,277
=====			
New Mexico--2.2%			
6,295	New Mexico State Highway Commission, Tax Revenue Bonds, Senior Sub-Lien, Series A, 6% due 6/15/2010 (f) (g)		6,799
=====			
New York--10.4%			
	Metropolitan Transportation Authority, New York,		

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		Transportation Revenue Bonds, Series A:	
1,800		5% due 11/15/2032 (c)	1,891
7,500		5% due 11/15/2035	7,918
9,280		Nassau Health Care Corporation, New York, Health System Revenue Bonds, 5.75% due 8/01/2009 (f) (g)	9,996
5,000		New York State Dormitory Authority, Revenue Refunding Bonds (State University Educational Facilities), 5.75% due 5/15/2010 (c) (g)	5,416
6,115		Tobacco Settlement Financing Corporation of New York Revenue Bonds, Series A-1, 5.25% due 6/01/2022 (a)	6,568
=====			
Ohio--2.7%			
1,300		Ohio State Air Quality, Development Authority Revenue Bonds (Dayton Power and Light Company Project), 4.80% due 9/01/2036 (c)	1,323
5,120		Plain, Ohio, Local School District, GO, Refunding (c): 6% due 6/01/2011 (g)	5,642
1,170		6% due 12/01/2020	1,283
=====			
Pennsylvania--4.1%			
8,675		Pennsylvania State Public School Building Authority, School Lease Revenue Bonds (The School District of Philadelphia Project), 5% due 6/01/2033 (f)	9,091
3,230		Philadelphia, Pennsylvania, Authority for Industrial Development, Lease Revenue Bonds, Series B, 5.50% due 10/01/2020 (f)	3,513
=====			
Rhode Island--1.4%			
4,010		Rhode Island State Health and Educational Building Corporation, Higher Education Facilities Revenue Bonds (University of Rhode Island), Series A, 5.70% due 9/15/2009 (g) (i)	4,281

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Schedule of Investments (continued)

BlackRock MuniYield Quality Fund II, Inc.

(in Thousands)

Face Amount	Municipal Bonds	Value
=====		
South Carolina--3.7%		
\$ 2,450	Berkeley County, South Carolina, School District, Installment Lease Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2030	\$ 2,597
2,075	Kershaw County, South Carolina, Public Schools Foundation, Installment Power Revenue Refunding Bonds, 5% due 12/01/2029 (b)	2,193
6,100	South Carolina Transportation Infrastructure Bank Revenue Bonds Series A, 5% due 10/01/2033 (a)	6,356
=====		
Tennessee--0.8%		
2,150	Chattanooga, Tennessee, IDB, Lease Rent Revenue Bonds (Southside Redevelopment Corporation), 5.875% due 10/01/2024 (a)	2,317
=====		

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Texas--9.6%			
2,000	Corpus Christi, Texas, Utility System Revenue Refunding Bonds, Series A, 6% due 7/15/2010 (f) (g)		2,165
4,000	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2020 (k)		4,499
	Leander, Texas, Independent School District, Capital Appreciation, GO, Refunding (School Building) (n):		
9,345	5.51% due 8/15/2030 (c)		2,763
8,800	5.58% due 8/15/2035		1,921
3,500	Lower Colorado River Authority, Texas, PCR (Samsung Austin Semiconductor), AMT, 6.375% due 4/01/2027		3,609
4,925	North Harris County, Texas, Regional Water Authority, Senior Lien Revenue Bonds, 5.125% due 12/15/2035 (i)		5,205
	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A (a):		
4,800	5.75% due 8/15/2038		5,279
3,600	5.50% due 8/15/2039		3,905
=====			
Virginia--0.8%			
2,100	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Old Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2028 (a)		2,299
=====			
Washington--5.4%			
7,470	Port of Seattle, Washington, Revenue Bonds, AMT, Series B, 6% due 2/01/2016 (i)		8,044
1,600	Port of Tacoma, Washington, Revenue Refunding Bonds, Series A, 5.25% due 12/01/2034 (a)		1,719
6,150	Seattle, Washington, Municipal Light and Power Revenue Bonds, 6% due 10/01/2009 (g) (i)		6,619
=====			
Puerto Rico--1.2%			
3,375	Puerto Rico Electric Power Authority, Power Revenue Bonds, Series NN, 5.125% due 7/01/2029		3,563

	Total Municipal Bonds		
	(Cost--\$376,367)--130.8%		399,180
=====			
Municipal Bonds Held in Trust (j)			
=====			
California--1.4%			
3,900	California State, GO, Refunding, 5.25% due 2/01/2033 (k)		4,207
=====			
Delaware--2.3%			
6,670	Delaware River Port Authority of Pennsylvania and New Jersey Revenue Bonds, 6% due 1/01/2017 (f)		7,139
=====			
Georgia--5.8%			
17,000	Atlanta, Georgia, Airport Passenger Facility Charge, Subordinate Lien Revenue Refunding Bonds, Series C, 5% due 1/01/2033 (f)		17,803
=====			
Illinois--5.9%			
9,500	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT,		

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	Series A, 5.50% due 1/01/2022 (i)	10,145
7,250	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project), Series B, 5.75% due 6/15/2023 (i)	8,006
=====		
Massachusetts--8.7%		
20,000	Massachusetts State HFA, Housing Revenue Bonds (Rental Mortgage), AMT, Series F, 5.25% due 1/01/2046 (f)	20,705
	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Delta Air Lines Inc. Project), AMT, Series A (a):	
2,900	5.50% due 1/01/2016	3,058
2,670	5.50% due 1/01/2019	2,811
=====		
New Jersey--3.1%		
	New Jersey EDA, Cigarette Tax Revenue Bonds (l):	
4,600	5.50% due 6/15/2024	4,980
4,000	5.50% due 6/15/2031	4,363
=====		
South Carolina--5.6%		
	Charleston Educational Excellence Financing Corporation, South Carolina, Revenue Bonds (Charleston County School District) (l):	
2,725	5.25% due 12/01/2028	2,952
2,425	5.25% due 12/01/2029	2,625
880	5.25% due 12/01/2030	953
10,000	South Carolina Transportation Infrastructure Bank Revenue Bonds, Series A, 5% due 10/1/2033 (a)	10,420
=====		
Texas--2.3%		
6,500	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, AMT, Series A, 6% due 11/01/2028 (c)	6,897

	Total Municipal Bonds Held in Trust (Cost--\$104,704)--35.1%	107,064
=====		
Shares		
Held	Short-Term Securities	
=====		
5,915	Merrill Lynch Institutional Tax-Exempt Fund, 3.38% (m) (o)	5,915

	Total Short-Term Securities (Cost--\$5,915)--1.9%	5,915
=====		
Total Investments (Cost--\$486,986*)--167.8%		512,159
Other Assets Less Liabilities--1.4%		4,170
Liability for Trust Certificates, Including Interest Expense Payable--(16.7%)		(51,093)
Preferred Stock, at Redemption Value--(52.5%)		(160,125)
Net Assets Applicable to Common Stock--100.0%		\$ 305,111
=====		

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Schedule of Investments (concluded)

BlackRock MuniYield Quality Fund II, Inc. (in Thousands)

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2006, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 437,187
	=====
Gross unrealized appreciation	\$ 24,593
Gross unrealized depreciation	(131)

Net unrealized appreciation	\$ 24,462
	=====

- (a) AMBAC Insured.
- (b) CIFG Insured.
- (c) FGIC Insured.
- (d) Escrowed to maturity.
- (e) FNMA/GNMA Collateralized.
- (f) FSA Insured.
- (g) Prerefunded.
- (h) XL Capital Insured.
- (i) MBIA Insured.
- (j) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund acquired the residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1(c) to Financial Statements for details of Municipal Bonds Held in Trust.
- (k) Radian Insured.
- (l) Assured Guaranty Insured.
- (m) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	4,515	\$ 112

- (n) Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.
- (o) Represents the current yield as of October 31, 2006.
- (p) FHLMC Collateralized.
- o Forward interest rate swaps outstanding as of October 31, 2006 were as follows:

	Notional Amount	Unrealized Depreciation
Pay a fixed rate of 3.981% and receive a floating rate based on 1-week Bond Market Association Rate		

Broker, JPMorgan Chase

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Expires November 2016	\$20,000	\$	(542)
Pay a fixed rate of 4.145% and receive a floating rate based on 1-week Bond Market Association Rate			
Broker, JPMorgan Chase Expires November 2021	\$ 8,000		(304)
Pay a fixed rate of 4.004% and receive a floating rate based on 1-week Bond Market Association Rate			
Broker, JPMorgan Chase Expires December 2021	\$17,000		(391)
Pay a fixed rate of 3.855% and receive a floating rate based on 1-week Bond Market Association Rate			
Broker, Citibank N.A. Expires January 2022	\$ 9,000		(64)

Total		\$	(1,301)
=====			

See Notes to Financial Statements.

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Statements of Net Assets

As of October 31, 2006	BlackRock MuniYield Fund, Inc.	BlackRock MuniYield Insured Fund, Inc.
=====		
Assets		

Investments in unaffiliated securities, at value*	\$ 1,028,951,130	\$ 1,794,951,517
Investments in affiliated securities, at value**	6,923,672	--
Cash	67,015	79,608
Interest receivable	16,954,751	26,327,117
Receivable for securities sold	10,000	75,000
Unrealized appreciation on forward interest rate swaps	--	227,812
Prepaid expenses and other assets	24,445	37,431

Total assets	1,052,931,013	1,821,698,485
=====		
Liabilities		

Trust certificates	36,112,500	174,115,000
Unrealized depreciation on forward interest rate swaps	--	--
Interest expense payable	497,019	1,540,712
Payable for securities purchased	--	38,370,373
Payable to investment adviser	413,317	652,186

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Payable for swaps	--	5,849,000
Dividends payable to Common Stock shareholders	--	467,210
Payable to other affiliates	6,508	10,248
Accrued expenses	152,066	189,981
<hr/>		
Total liabilities	37,181,410	221,194,710
<hr/>		
Preferred Stock		
<hr/>		
Preferred Stock, at redemption value, par value \$.05 and \$.10 per share*** of AMPS@ at \$25,000 per share liquidation preference	343,382,741	570,455,972
<hr/>		
Net Assets Applicable to Common Stock		
<hr/>		
Net assets applicable to Common Stock	\$ 672,366,862	\$ 1,030,047,803
<hr/>		

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Statements of Net Assets (concluded)

	BlackRock MuniYield Fund, Inc.	BlackRock MuniYield Insured Fund, Inc.
As of October 31, 2006		
<hr/>		
Net Assets Consist of		
<hr/>		
Undistributed investment income--net	\$ 6,100,554	\$ 5,518,944
Accumulated realized capital losses--net	(40,730,023)	(10,527,488)
Unrealized appreciation--net	63,870,472	91,076,126
<hr/>		
Total accumulated earnings (losses)--net	29,241,003	86,067,582
Common Stock, par value \$.10 per share +	4,487,083	6,730,313
Paid-in capital in excess of par	638,638,776	937,249,908
<hr/>		
Net assets applicable to Common Stock	\$ 672,366,862	\$ 1,030,047,803
<hr/>		
Net asset value per share of Common Stock	\$ 14.98	\$ 15.30
<hr/>		
Market price	\$ 15.76	\$ 14.36
<hr/>		
* Identified cost on unaffiliated securities	\$ 965,080,658	\$ 1,704,103,203
<hr/>		
** Identified cost on affiliated securities	\$ 6,923,672	--
<hr/>		
*** Preferred Stock authorized, issued and outstanding:		
Series A Shares, \$.05 per share	1,800	--
<hr/>		
Series A Shares, \$.10 per share	--	2,200
<hr/>		
Series B Shares, \$.05 per share	1,800	--
<hr/>		

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Series B Shares, \$.10 per share	--	2,200
Series C Shares, \$.05 per share	1,800	--
Series C Shares, \$.10 per share	--	2,200
Series D Shares, \$.05 per share	1,800	--
Series D Shares, \$.10 per share	--	2,200
Series E Shares, \$.05 per share	2,800	--
Series E Shares, \$.10 per share	--	4,000
Series F Shares, \$.05 per share	1,720	--
Series F Shares, \$.10 per share	--	2,400
Series G Shares, \$.05 per share	2,000	--
Series G Shares, \$.10 per share	--	2,400
Series H Shares, \$.10 per share	--	2,600
Series I Shares, \$.10 per share	--	2,600
+ Common Stock issued and outstanding	44,870,829	67,303,125

@ Auction Market Preferred Stock.

See Notes to Financial Statements.

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Statements of Operations

For the Year Ended October 31, 2006	BlackRock MuniYield Fund, Inc.	BlackRock MuniYield Insured Fund, Inc.
Investment Income		
Interest	\$ 56,228,890	\$ 82,662,004
Dividends from affiliates	345,980	115,290
Total income	56,574,870	82,777,294
Expenses		
Investment advisory fees	4,988,867	7,902,576
Interest expense and fees	1,862,376	6,518,037
Commission fees	868,388	1,457,840

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Accounting services	274,551	372,787
Transfer agent fees	130,345	178,642
Professional fees	71,761	87,262
Printing and shareholder reports	49,662	50,001
Custodian fees	47,661	75,266
Directors' fees and expenses	37,643	53,245
Pricing fees	32,449	37,500
Listing fees	27,472	41,491
Other	83,849	107,629
<hr/>		
Total expenses before reimbursement	8,475,024	16,882,276
Reimbursement of expenses	(22,374)	(6,779)
<hr/>		
Total expenses after reimbursement	8,452,650	16,875,497
<hr/>		
Investment income--net	48,122,220	65,901,797
<hr/>		
=====		
Realized & Unrealized Gain (Loss)--Net		
<hr/>		
Realized gain (loss) on:		
Investments--net	9,069,648	9,751,811
Financial futures contracts and/or forward interest rate swaps--net	2,281,796	(10,645,915)
<hr/>		
Total realized gain (loss)--net	11,351,444	(894,104)
<hr/>		
Change in unrealized appreciation/depreciation on:		
Investments--net	16,345,769	33,121,967
Forward interest rate swaps--net	--	(1,037,545)
<hr/>		
Total change in unrealized appreciation/depreciation--net	16,345,769	32,084,422
<hr/>		
Total realized and unrealized gain--net	27,697,213	31,190,318
<hr/>		
=====		
Dividends & Distributions to Preferred Stock Shareholders		
<hr/>		
Investment income--net	(11,189,023)	(16,899,454)
Realized gain--net	(23,325)	(2,997,462)
<hr/>		
Total dividends and distributions to Preferred Stock shareholders	(11,212,348)	(19,896,916)
<hr/>		
Net Increase in Net Assets Resulting from Operations .	\$ 64,607,085	\$ 77,195,199
<hr/>		
=====		

See Notes to Financial Statements.

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Statements of Changes in Net Assets

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Increase (Decrease) in Net Assets:

Operations

Investment income--net
Realized gain--net
Change in unrealized appreciation/depreciation--net
Dividends and distributions to Preferred Stock shareholders

Net increase in net assets resulting from operations

Dividends and Distributions to Common Stock Shareholders

Investment income--net
Realized gain--net

Net decrease in net assets resulting from dividends and distributions to Common Stock
shareholders

Stock Transactions

Value of shares issued to Common Stock shareholders in reinvestment of dividends
Adjustments of offering costs resulting from the issuance of Preferred Stock

Net increase in net assets derived from stock transactions

Net Assets Applicable to Common Stock

Total increase in net assets applicable to Common Stock
Beginning of year

End of year*

* Undistributed investment income--net

See Notes to Financial Statements.

Increase (Decrease) in Net Assets:

Operations

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Investment income--net
 Realized gain (loss)--net
 Change in unrealized appreciation/depreciation--net
 Dividends and distributions to Preferred Stock shareholders

Net increase in net assets resulting from operations

=====
 Dividends and Distributions to Common Stock Shareholders

Investment income--net
 Realized gain--net

Net decrease in net assets resulting from dividends and distributions to Common Stock
 shareholders

=====
 Stock Transactions

Adjustment of offering costs resulting from the issuance of Preferred Stock

Net increase in net assets derived from stock transactions

=====
 Net Assets Applicable to Common Stock

Total increase (decrease) in net assets applicable to Common Stock
 Beginning of year

End of year*

* Undistributed investment income--net

See Notes to Financial Statements.

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Statements of Changes in Net Assets

(As Restated for 2005. See Note 6)

Increase (Decrease) in Net Assets:
 =====

Operations

Investment income--net
 Realized gain--net
 Change in unrealized appreciation/depreciation--net
 Dividends to Preferred Stock shareholders

Net increase in net assets resulting from operations

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=====
Dividends to Common Stock Shareholders

Investment income--net
Net decrease in net assets resulting from dividends to Common Stock shareholders

=====
Stock Transactions

Offering and underwriting costs, including adjustments, resulting from the issuance of Preferred Stock
Net decrease in net assets derived from stock transactions

=====
Net Assets Applicable to Common Stock

Total increase (decrease) in net assets applicable to Common Stock
Beginning of year
End of year*
* Undistributed investment income--net

See Notes to Financial Statements.

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OCTOBER 31, 2006

Statements of Changes in Net Assets

(As Restated for 2005. See Note 6)

Increase (Decrease) in Net Assets:
=====

Operations

Investment income--net
Realized gain--net
Change in unrealized appreciation/depreciation--net
Dividends to Preferred Stock shareholders
Net increase in net assets resulting from operations

=====
Dividends to Common Stock Shareholders

Investment income--net
Net decrease in net assets resulting from dividends to Common Stock shareholders

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Stock Transactions

Offering and underwriting costs, including adjustments, resulting from the issuance of Preferred Stock

Net increase (decrease) in net assets resulting from stock transactions

Net Assets Applicable to Common Stock

Total increase (decrease) in net assets applicable to Common Stock

Beginning of year

End of year*

* Undistributed investment income--net

See Notes to Financial Statements.

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Statement of Cash Flows

For the Year Ended October 31, 2006

Cash Provided by Operating Activities

Net increase in net assets resulting from operations

Increase/decrease in receivables

Increase/decrease in other assets and prepaid expenses

Increase in other liabilities

Increase in dividends and distributions payable to Preferred Stock shareholders

Realized and unrealized gain on investments and forward interest rate swaps--net

Realized loss on financial futures contracts

Amortization of premium and discount

Proceeds from sales of long-term securities

Other investment related transactions

Purchases of long-term securities

Net proceeds from sales (net purchases) of short-term investments

Cash provided by operating activities

Cash Used for Financing Activities

Cash receipts from trust certificates

Cash payments on trust certificates

Cash payments on offering costs

Dividends and distributions paid to Common Stock shareholders

Cash used for financing activities

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Cash

Net decrease in cash	
Cash at beginning of year	
Cash at end of year	

Cash Flow Information

Cash paid for interest	
Dividends and distributions paid to Preferred Stock shareholders	

See Notes to Financial Statements.

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OCTOBER 31, 2006

Financial Highlights (As Restated for 2005, 2004, 2003 and 2002. See Note 6)

	BlackRock M		
	For the Year		
	2006	2005	
The following per share data and ratios have been derived from information provided in the financial statements.			
Per Share Operating Performance			
Net asset value, beginning of year	\$ 14.48	\$ 14.31	\$
Investment income--net	1.08+	1.11+	
Realized and unrealized gain (loss)--net .....	.61	.21	
Dividends and distributions to Preferred Stock shareholders:			
Investment income--net	(.25)	(.16)	
Realized gain--net	--++	--	
Total from investment operations	1.44	1.16	
Less dividends and distributions to Common Stock shareholders:			
Investment income--net	(.94)	(.99)	
Realized gain--net	--++	--	
Total dividends and distributions to Common Stock shareholders	(.94)	(.99)	
Offering and underwriting costs, including adjustments, resulting from issuance of Preferred Stock	--@	--++	
Net asset value, end of year	\$ 14.98	\$ 14.48	\$
Market price per share, end of year	\$ 15.76	\$ 14.20	\$

Total Investment Return*

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Based on net asset value per share	10.30%	8.38%	
Based on market price per share	18.33%	10.69%	
=====			
Ratios Based on Average Net Assets Applicable to Common Stock			

Total expenses, net of reimbursement and excluding interest expense**	1.01%	1.02%	
Total expenses, net of reimbursement**	1.29%	1.26%	
Total expenses**	1.29%	1.26%	
Total investment income--net**	7.35%	7.55%	
Amount of dividends to Preferred Stock shareholders	1.71%	1.10%	
Investment income--net, to Common Stock shareholders	5.64%	6.45%	
=====			
Ratios Based on Average Net Assets Applicable to Preferred Stock			

Dividends to Preferred Stock shareholders	3.26%	2.09%	
=====			
Supplemental Data			

Net assets applicable to Common Stock, end of year (in thousands)	\$ 672,367	\$ 644,825	\$
Preferred Stock outstanding at liquidation preference, end of year (in thousands)	\$ 343,000	\$ 343,000	\$
Portfolio turnover	32%	30%	
=====			
Leverage			

Asset coverage per \$1,000	\$ 2,960	\$ 2,880	\$
=====			
Dividends Per Share on Preferred Stock Outstanding			

Series A--Investment income--net	\$ 819	\$ 524	\$
Series B--Investment income--net	\$ 809	\$ 549	\$
Series C--Investment income--net	\$ 846	\$ 531	\$
Series D--Investment income--net	\$ 826	\$ 509	\$
Series E--Investment income--net	\$ 803	\$ 522	\$
Series F--Investment income--net	\$ 806	\$ 494	\$
Series G+++--Investment income--net	\$ 807	\$ 533	\$
=====			

+ Based on average shares outstanding.
 ++ Amount is less than \$(.01) per share.

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- +++ Series G was issued on August 31, 2004.
 - @ Amount is less than \$.01 per share.
 - * 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. Total investment returns exclude the effects of sales charges.
 - ** Do not reflect the effect of dividends to Preferred Stock shareholders.
- See Notes to Financial Statements.

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Financial Highlights (As Restated for 2005, 2004, 2003 and 2002. See Note 6)

	BlackRock MuniYield		
	For the Year		
	2006	2005	
The following per share data and ratios have been derived from information provided in the financial statements.			
Per Share Operating Performance			
Net asset value, beginning of year	\$ 15.27	\$ 15.59	\$
Investment income--net .....	.98@	1.04@	
Realized and unrealized gain (loss)--net .....	.46	(.22)	
Dividends and distributions to Preferred Stock shareholders:			
Investment income--net	(.25)	(.16)	
Realized gain--net	(.04)	(.02)	
Total from investment operations	1.15	.64	
Less dividends and distributions to Common Stock shareholders:			
Investment income--net	(.78)	(.95)	
Realized gain--net	(.34)	(.01)	
Total dividends and distributions to Common Stock shareholders	(1.12)	(.96)	
Offering and underwriting costs, including adjustments, resulting from issuance of Preferred Stock	--	--++	
Net asset value, end of year	\$ 15.30	\$ 15.27	\$
Market price per share, end of year	\$ 14.36	\$ 14.70	\$
Total Investment Return*			
Based on net asset value per share	8.09%	4.54%	
Based on market price per share	5.38%	7.69%	
Ratios Based on Average Net Assets Applicable to Common Stock			

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Total expenses, net of reimbursement and excluding interest expense**	1.02%	1.01%
Total expenses, net of reimbursement**	1.67%	1.60%
Total expenses**	1.67%	1.60%
Total investment income--net**	6.52%	6.62%
Amount of dividends to Preferred Stock shareholders	1.67%	1.05%
Investment income--net, to Common Stock shareholders	4.85%	5.57%

Ratios Based on Average Net Assets Applicable to Preferred Stock

Dividends to Preferred Stock shareholders	2.96%	1.94%
---	-------	-------

Supplemental Data

Net assets applicable to Common Stock, end of year (in thousands)	\$1,030,048	\$1,028,022	\$1,028,022
Preferred Stock outstanding at liquidation preference, end of year (in thousands)	\$ 570,000	\$ 570,000	\$ 570,000
Portfolio turnover	95%	105%	

Leverage

Asset coverage per \$1,000	\$ 2,807	\$ 2,804	\$ 2,804
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Dividends Per Share on Preferred Stock Outstanding

Series A--Investment income--net	\$ 763	\$ 478	\$ 478
Series B--Investment income--net	\$ 750	\$ 481	\$ 481
Series C--Investment income--net	\$ 744	\$ 502	\$ 502
Series D--Investment income--net	\$ 779	\$ 474	\$ 474
Series E--Investment income--net	\$ 729	\$ 471	\$ 471
Series F--Investment income--net	\$ 766	\$ 481	\$ 481
Series G--Investment income--net	\$ 714	\$ 487	\$ 487
Series H@@--Investment income--net	\$ 725	\$ 493	\$ 493
Series I@@--Investment income--net	\$ 718	\$ 498	\$ 498

+ Amount is less than \$(.01) per share.

++ Amount is less than \$.01 per share.

@ Based on average shares outstanding.

@@ Series H and Series I were issued on August 23, 2004.

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* 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. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

See Notes to Financial Statements.

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Financial Highlights (As Restated for 2005, 2004, 2003 and 2002. See Note 6)

	BlackRock Muni		
	For the Year		
	2006	2005	
The following per share data and ratios have been derived from information provided in the financial statements.			
Per Share Operating Performance			
Net asset value, beginning of year	\$ 15.02	\$ 15.54	\$
Investment income--net .....	.99+	.99+	
Realized and unrealized gain (loss)--net .....	.37	(.39)	
Dividends and distributions to Preferred Stock shareholders:			
Investment income--net	(.27)	(.14)	
Realized gain--net	--	--	
Total from investment operations	1.09	.46	
Less dividends and distributions to Common Stock shareholders:			
Investment income--net	(.79)	(.96)	
Realized gain--net	--	--	
Total dividends and distributions to Common Stock shareholders	(.79)	(.96)	
Offering and underwriting costs, including adjustments, resulting from the issuance of Preferred Stock	--@	(.02)	
Net asset value, end of year	\$ 15.32	\$ 15.02	\$
Market price per share, end of year	\$ 14.48	\$ 14.27	\$
Total Investment Return*			
Based on net asset value per share	7.78%	3.10%	
Based on market price per share	7.22%	2.64%	
Ratios Based on Average Net Assets Applicable to Common Stock			
Total expenses, net of reimbursement and excluding			

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interest expense**	1.04%	.96%
Total expenses, net of reimbursement**	1.75%	1.44%
Total expenses**	1.76%	1.45%
Total investment income--net**	6.61%	6.46%
Amount of dividends to Preferred Stock shareholders	1.80%	.93%
Investment income--net, to Common Stock shareholders	4.81%	5.53%

=====
Ratios Based on Average Net Assets Applicable to Preferred Stock

Dividends to Preferred Stock shareholders	3.29%	2.12%
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=====
Supplemental Data

Net assets applicable to Common Stock, end of year (in thousands)	\$ 466,002	\$ 456,886	\$
Preferred Stock outstanding at liquidation preference, end of year (in thousands)	\$ 250,000	\$ 250,000	\$
Portfolio turnover	33%	29%	

=====
Leverage

Asset coverage per \$1,000	\$ 2,864	\$ 2,828	\$
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=====
Dividends Per Share on Preferred Stock Outstanding

Series A--Investment income--net	\$ 830	\$ 540	\$
Series B--Investment income--net	\$ 810	\$ 520	\$
Series C--Investment income--net	\$ 844	\$ 536	\$
Series D--Investment income--net	\$ 815	\$ 514	\$
Series E ++--Investment income--net	\$ 808	\$ 72	\$

+ Based on average shares outstanding.

++ Series E was issued on September 21, 2005. Amount is less than \$(.01) per share.

* 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. Total investment returns exclude the effects of sales charges.

** Do not reflect the effect of dividends to Preferred Stock shareholders.

See Notes to Financial Statements.

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Financial Highlights (As Restated for 2005, 2004, 2003 and 2002. See Note 6)

	BlackRock MuniYield		
	For the Year		
	2006	2005	
The following per share data and ratios have been derived from information provided in the financial statements.			
=====			
Per Share Operating Performance			

Net asset value, beginning of year	\$ 13.36	\$ 13.72	\$
Investment income--net .....	.86+	.89+	
Realized and unrealized gain (loss)--net .....	.37	(.25)	
Dividends to Preferred Stock shareholders from investment income--net	(.24)	(.14)	
Total from investment operations .....	.99	.50	
Less dividends to Common Stock shareholders from investment income--net	(.71)	(.85)	
Offering and underwriting costs, including adjustments, resulting from the issuance of Preferred Stock	--++	(.01)	
Net asset value, end of year	\$ 13.64	\$ 13.36	\$
Market price per share, end of year	\$ 12.93	\$ 12.86	\$
=====			
Total Investment Return*			

Based on net asset value per share	7.98%	3.98%	
Based on market price per share	6.34%	8.21%	
=====			
Ratios Based on Average Net Assets Applicable to Common Stock			

Total expenses, net of reimbursement and excluding interest expense**	1.05%	1.03%	
Total expenses, net of reimbursement**	1.66%	1.49%	
Total expenses**	1.66%	1.49%	
Total investment income--net**	6.44%	6.51%	
Amount of dividends to Preferred Stock shareholders	1.78%	1.03%	
Investment income--net, to Common Stock shareholders	4.66%	5.48%	
=====			
Ratios Based on Average Net Assets Applicable to Preferred Stock			

Dividends to Preferred Stock shareholders	3.32%	2.08%	
=====			

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Supplemental Data

Net assets applicable to Common Stock, end of year (in thousands)	\$ 305,111	\$ 298,722	\$
Preferred Stock outstanding at liquidation preference, end of year (in thousands)	\$ 160,000	\$ 160,000	\$
Portfolio turnover	37%	29%	

Leverage

Asset coverage per \$1,000	\$ 2,907	\$ 2,867	\$
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Dividends Per Share on Preferred Stock Outstanding

Series A--Investment income--net	\$ 832	\$ 536	\$
Series B--Investment income--net	\$ 860	\$ 514	\$
Series C--Investment income--net	\$ 803	\$ 510	\$
Series D+++--Investment income--net	\$ 804	\$ 71	\$

- + Based on average shares outstanding.
- ++ Amount is less than \$.01 per share.
- +++ Series D was issued on September 21, 2005.
- * 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. Total investment returns exclude the effects of sales charges.
- ** Do not reflect the effect of dividends to Preferred Stock shareholders.

See Notes to Financial Statements.

Notes to Financial Statements

1. Significant Accounting Policies:

On September 29, 2006, MuniYield Fund, Inc., MuniYield Insured Fund, Inc., MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. were renamed BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. (the "Funds" or individually as the "Fund"), respectively. The Funds are registered under the Investment Company Act of 1940, as amended, as non-diversified, closed-end management investment companies. The Funds' financial statements are prepared in conformity with U.S. generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Funds determine and make available for publication the net asset value of their Common Stock on a daily basis. The Funds' Common Stock shares are listed on the New York Stock Exchange under the symbol MYD for BlackRock MuniYield Fund, Inc., MYI for BlackRock MuniYield Insured Fund, Inc., MQY for BlackRock MuniYield Quality Fund, Inc. and MQT for BlackRock MuniYield Quality Fund II, Inc. The following

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is a summary of significant accounting policies followed by the Funds.

(a) Valuation of investments -- Municipal bonds are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of each of the Funds under the general direction of the respective Board of Directors. Such valuations and procedures are reviewed periodically by the Boards of Directors of the Funds. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. Options traded in the OTC market are valued at the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Funds' pricing service. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, under which method the investment is valued at cost and any premium or discount is amortized on a straight line basis to maturity. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of each Fund's Board of Directors of the Funds.

(b) Derivative financial instruments -- Each Fund may engage in various portfolio investment strategies both to increase the return of each Fund and to hedge, or protect, its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

- o Financial futures contracts -- Each Fund may purchase or sell financial futures contracts and options on such financial futures contracts. Financial futures contracts are contracts for delayed delivery of securities at a specific future date and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees 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 Fund as unrealized gains or losses. When the contract is closed, the Fund records 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.
- o Options -- Each Fund may purchase and write call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

- o Forward interest rate swaps -- Each Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty

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agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed,

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Notes to Financial Statements (continued)

the Fund records a realized gain or loss in an amount equal to the value of the agreement.

- o Swaps -- Each Fund may enter into swap agreements, which are OTC contracts in which the Fund and a counterparty agree to make periodic net payments on a specified notional amount. The net payments can be made for a set period of time or may be triggered by a predetermined credit event. The net periodic payments may be based on a fixed or variable interest rate; the change in market value of a specified security, basket of securities, or index; or the return generated by a security. These periodic payments received or made by the Fund are recorded in the accompanying Statement of Operations as realized gains or losses, respectively. Gains or losses are also realized upon termination of the swap agreements. Swaps are marked-to-market daily and changes in value are recorded as unrealized appreciation (depreciation). Risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swap agreements.

(c) Municipal bonds held in trust -- Certain Funds invest in leveraged residual certificates ("TOB Residuals") issued by tender option bond trusts ("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 the Fund, transfers municipal securities. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates, which are generally issued to the Fund which made the transfer or to affiliates of the Fund. Each Fund's transfers of the municipal securities to a TOB do not qualify for sale treatment under Statement of Financial Accounting Standards No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities," therefore the municipal securities deposited into a TOB are presented in the Funds' schedules of investments and the proceeds from the transactions are reported as liability for trust certificates. Similarly, proceeds from residual certificates issued to affiliates, if any, from the transaction are included in the liability for trust certificates. Interest income from the underlying security 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 reported as expenses of a Fund. The 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. The residual interests held by the Funds include the right of the Funds (1) to cause the holders of a proportional share of floating rate certificates to tender their certificates at par, and (2) to transfer a corresponding share of the municipal securities from the TOB to the Funds. At October 31, 2006, the aggregate value of the underlying municipal securities transferred to TOBs and the liability for trust certificates were:

	Liability	Range of	Underlying
	for Trust	Interest	Municipal
			Bonds
			Transferred

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	Certificates	Rates	to TOBs
BlackRock MuniYield Fund, Inc.	\$ 36,112,500	3.59%	\$ 78,662,771
BlackRock MuniYield Insured Fund, Inc.	\$174,115,000	3.59-3.63%	\$375,135,650
BlackRock MuniYield Quality Fund, Inc.	\$ 85,427,072	3.58-3.61%	\$176,779,808
BlackRock MuniYield Quality Fund II, Inc.	\$ 50,510,000	3.59-3.61%	\$107,063,961

Financial transactions executed through TOBs generally will under perform the market for fixed rate municipal bonds in a rising interest rate environment, but tend to outperform the market for fixed rate bonds when interest rates decline or remain relatively stable. Should short-term interest rates rise, a Fund's investment in TOB Residuals likely will adversely affect a Fund's investment income-net and distributions to shareholders. Fluctuations in the market value of municipal securities deposited into the TOB may adversely affect the Fund's net asset value per share.

While the Funds' investment policies and restrictions expressly permit investments in inverse floating rate securities such as TOB Residuals, they generally do not allow the Funds to borrow money for purposes of making investments. The Funds' management believes that the Funds' restrictions on borrowings do not apply to the secured borrowings deemed to have occurred for accounting purposes.

(d) Income taxes -- It is each Fund's policy to comply with the requirements of the Internal Revenue Code 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.

(e) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates.

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Interest income is recognized on the accrual basis. The Funds amortize all premiums and discounts on debt securities.

(f) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(g) Offering costs -- Direct expenses relating to the public offering of each Fund's Preferred Stock were charged to capital at the time of issuance of the shares. Any adjustments to estimates of offering costs were recorded back to capital.

(h) Recent accounting pronouncements -- In July 2006, the Financial Accounting Standards Board ("FASB") issued Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes -- an interpretation of FASB Statement No. 109." FIN 48 prescribes the minimum recognition threshold a tax position must meet in connection with accounting for uncertainties in income tax positions taken or expected to be taken by an entity including mutual funds before being measured

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and recognized in the financial statements. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006. The impact on each of the Fund's financial statements, if any, is currently being assessed.

In addition, in September 2006, Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), was issued and is effective for fiscal years beginning after November 15, 2007. FAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Management is currently evaluating the implications of FAS 157. At this time its impact on each of the Fund's financial statements has not been determined.

(i) Reclassifications -- BlackRock MuniYield Fund, Inc.

U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$90 has been reclassified between undistributed net investment income and accumulated net realized capital losses as a result of permanent differences attributable to distributions in excess of capital gains. This reclassification has no effect on net assets or net asset values per share.

BlackRock MuniYield Insured Fund, Inc.

U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$5,774,512 has been reclassified between paid-in capital in excess of par and accumulated net realized capital losses and \$307 has been reclassified between undistributed net investment income and accumulated net realized capital losses as a result of permanent differences attributable to distributions in excess of realized capital gains and the reclassification of distributions. These reclassifications have no effect on net assets or net asset values per share.

BlackRock MuniYield Quality Fund, Inc.

U.S. generally accepted accounting principles require that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, during the current year, \$244 has been reclassified between accumulated net realized capital losses and undistributed net investment income as a result of permanent differences attributable to amortization methods on fixed income securities. This reclassification has no effect on net assets or net asset values per share.

2. Investment Advisory Agreement and Transactions with Affiliates:

On September 29, 2006, BlackRock, Inc. and Merrill Lynch & Co., Inc. ("Merrill Lynch") combined Merrill Lynch's investment management business, Merrill Lynch Investment Managers, L.P. ("MLIM") and its affiliates, including Fund Asset Management, L.P. ("FAM"), with BlackRock, Inc. to create a new independent company. Merrill Lynch has a 49.8% economic interest and a 45% voting interest in the combined company and The PNC Financial Services Group, Inc. has approximately a 34% economic and voting interest. The new company operates under the BlackRock name and is governed by a board of directors with a majority of independent members.

On August 15, 2006, shareholders of each Fund approved a new Investment Advisory Agreement with BlackRock Advisors, Inc. (the "Manager"), an indirect, wholly owned subsidiary of BlackRock, Inc. BlackRock Advisors, Inc. was recently reorganized into a limited liability company and renamed BlackRock Advisors, LLC. The new Investment Advisory Agreement between each Fund and the Manager became effective on September 29, 2006. Prior to September 29, 2006, FAM was the

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Investment Adviser. The general partner of FAM is Princeton Services, Inc. ("PSI"), an indirect, wholly owned subsidiary of Merrill Lynch, which is the limited partner.

The Manager is responsible for the management of each of the Fund's portfolios and provides the necessary personnel, facilities, equipment and certain other services necessary to

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Notes to Financial Statements (continued)

the operations of each Fund. For such services, each Fund pays a monthly fee at an annual rate of .50% of the Fund's average daily net assets, including proceeds from the issuance of Preferred Stock. The Manager (and formerly FAM) has agreed to reimburse its management fee by the amount of management fees each Fund pays to the Manager and/or FAM indirectly through its investment in the Merrill Lynch Institutional Tax-Exempt Fund. The reimbursements were as follows:

	November 1, 2005 to September 29, 2006, Reimbursement by FAM	September 30, 2006 to October 31, 2006, Reimbursement by the Manager
BlackRock MuniYield Fund, Inc.	\$ 21,034	\$ 1,340
BlackRock MuniYield Insured Fund, Inc.	\$ 6,083	\$ 696
BlackRock MuniYield Quality Fund, Inc.	\$ 8,324	\$ 873
BlackRock MuniYield Quality Fund II, Inc.	\$ 6,178	\$ 824

In addition, the Manager has entered into a sub-advisory agreement with BlackRock Investment Management, LLC, an affiliate of the Manager, under which the Manager pays the Sub-Adviser for services it provides a fee equal to 59% of the management fee paid by each Fund to the Manager.

The Funds reimbursed the Manager and/or FAM for certain accounting services. The reimbursements were as follows:

	For the Period November 1, 2005 to September 29, 2006 Reimbursement to FAM	For the Period September 30, 2006 to October 31, 2006 Reimbursement to the Manager
BlackRock MuniYield Fund, Inc.	\$ 20,359	\$ 1,627
BlackRock MuniYield Insured Fund, Inc.	\$ 32,031	\$ 2,562
BlackRock MuniYield Quality Fund, Inc.	\$ 15,019	\$ 1,148
BlackRock MuniYield Quality Fund II, Inc.	\$ 9,693	\$ 745

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Prior to September 29, 2006, certain officers and/or directors of the Funds were officers and/or directors of Merrill Lynch, FAM, MLIM, and/or PSI.

Commencing September 29, 2006, certain officers and/or directors of the Funds are officers and/or directors of BlackRock, Inc. or its affiliates.

3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended October 31, 2006 were as follows:

	Total Purchases	Total Sales
BlackRock MuniYield Fund, Inc.	\$ 330,054,190	\$ 349,420,013
BlackRock MuniYield Insured Fund, Inc.	\$1,664,751,319	\$1,711,175,409
BlackRock MuniYield Quality Fund, Inc.	\$ 261,708,607	\$ 265,388,404
BlackRock MuniYield Quality Fund II, Inc.	\$ 185,894,489	\$ 188,165,744

4. Stock Transactions:

Each Fund is authorized to issue 200,000,000 shares of stock, including Preferred Stock, par value \$.10 per share all of which were initially classified as Common Stock. The Board of Directors is authorized, however, to reclassify any unissued shares of stock without approval of the holders of Common Stock.

Common Stock

BlackRock MuniYield Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005, increased by 346,987 and 93,211, respectively, as a result of dividend reinvestment.

BlackRock MuniYield Insured Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005 remained constant.

BlackRock MuniYield Quality Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005 remained constant.

BlackRock MuniYield Quality Fund II, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005 remained constant.

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Auction Market Preferred Stock are redeemable shares of Preferred Stock of the Funds, with a liquidation preference of \$25,000 per share, plus accrued and unpaid dividends that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods. The yields in effect at October 31, 2006 were as follows:

	BlackRock MuniYield Fund, Inc.	BlackRock MuniYield Insured Fund, Inc.	BlackRock MuniYield Quality Fund, Inc.	BlackRock MuniYield Quality Fund II, Inc.
Series A	3.40%	3.45%	3.62%	3.57%
Series B	3.62%	3.50%	3.45%	3.47%
Series C	3.48%	3.57%	3.47%	3.48%
Series D	3.45%	3.39%	3.49%	3.42%
Series E	3.40%	3.45%	3.48%	--
Series F	3.40%	3.62%	--	--
Series G	3.42%	3.45%	--	--
Series H	--	3.33%	--	--
Series I	--	3.33%	--	--

BlackRock MuniYield Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005 remained constant.

BlackRock MuniYield Insured Fund, Inc.

Shares issued and outstanding during the years ended October 31, 2006 and October 31, 2005 remained constant.

BlackRock MuniYield Quality Fund, Inc.

Shares issued and outstanding during the year ended October 31, 2006 remained constant and during the year ended October 31, 2005 increased by 2,000 shares from the issuance of an additional series of Preferred Stock.

BlackRock MuniYield Quality Fund II, Inc.

Shares issued and outstanding during the year ended October 31, 2006 remained constant and during the year ended October 31, 2005 increased by 400 shares from the issuance of an additional series of Preferred Stock.

Each Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375%, calculated on the proceeds of each auction. For the year ended October 31, 2006, MLPF&S earned commissions as follows:

	Commissions
BlackRock MuniYield Fund, Inc.	\$ 374,266
BlackRock MuniYield Insured Fund, Inc.	\$ 651,097
BlackRock MuniYield Quality Fund, Inc.	\$ 330,351
BlackRock MuniYield Quality Fund II, Inc.	\$ 178,675

5. Distributions to Shareholders:

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Each Fund paid a tax-exempt income dividend to holders of Common Stock on November 29, 2006 to shareholders of record on November 14, 2006. The amount of the tax-exempt income dividend per share was as follows:

	Per Share Amount
BlackRock MuniYield Fund, Inc.	\$.075000
BlackRock MuniYield Insured Fund, Inc.	\$.058000
BlackRock MuniYield Quality Fund, Inc.	\$.061000
BlackRock MuniYield Quality Fund II, Inc.	\$.056000

The tax character of distributions paid during the fiscal years ended October 31, 2006 and October 31, 2005 was as follows:

	10/31/2006	10/31/2005
BlackRock MuniYield Fund, Inc.		
Distributions paid from:		
Tax-exempt income	\$53,242,140	\$51,281,196
Ordinary income	161,124	--
Total distributions	\$53,403,264	\$51,281,196

	10/31/2006	10/31/2005
BlackRock MuniYield Insured Fund, Inc.		
Distributions paid from:		
Tax-exempt income	\$69,395,892	\$75,110,574
Ordinary income	5,734,611	239,427
Long-term capital gain	19,935,524	2,108,623
Total distributions	\$95,066,027	\$77,458,624

	10/31/2006	10/31/2005
BlackRock MuniYield Quality Fund, Inc.		
Distributions paid from:		
Tax-exempt income	\$32,157,768	\$33,634,936
Total distributions	\$32,157,768	\$33,634,936

	10/31/2006	10/31/2005
BlackRock MuniYield Quality Fund II, Inc.		
Distributions paid from:		
Tax-exempt income	\$21,169,808	\$22,248,656
Total distributions	\$21,169,808	\$22,248,656

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Notes to Financial Statements (continued)

As of October 31, 2006, the components of accumulated earnings/losses on a tax basis were as follows:

 BlackRock MuniYield Fund, Inc.

Undistributed tax-exempt income -- net	\$ 5,244,988
Undistributed long-term capital gains -- net	--

Total undistributed earnings -- net	5,244,988
Capital loss carryforward	(35,322,040)*
Unrealized gains -- net	59,318,055**

Total accumulated earnings -- net	\$ 29,241,003
=====	

* At October 31, 2006, the Fund had a net capital loss carryforward of \$35,322,040, of which \$1,763,311 expires in 2007, \$25,927,589 expires in 2008, \$7,261,361 expires in 2009 and \$369,779 expires in 2010. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on wash sales, the tax deferral of losses on straddles, the difference between book and tax amortization methods for premiums and discounts on fixed income securities, the difference between the book and tax treatment of residual interests in tender option bond trusts and other book/tax differences.

 BlackRock MuniYield Insured Fund, Inc.

Undistributed tax-exempt income -- net	\$ 5,481,179
Undistributed long-term capital gains -- net	--

Total undistributed earnings -- net	5,481,179
Capital loss carryforward	(1,799,562)*
Unrealized gains -- net	82,385,965**

Total accumulated earnings -- net	\$ 86,067,582
=====	

* At October 31, 2006, the Fund had a net capital loss carryforward of \$1,799,562, all of which expires in 2014. These amounts will be available to offset like amounts of any future taxable gains.

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

 BlackRock MuniYield Quality Fund, Inc.

Undistributed tax-exempt income -- net	\$ 1,761,841
Undistributed long-term capital gains -- net	--

Total undistributed earnings -- net	1,761,841
Capital loss carryforward	(372,595)*

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Unrealized gains -- net	38,353,420**

Total accumulated earnings -- net	\$ 39,742,666
	=====

* At October 31, 2006, the Fund had a net capital loss carryforward of \$372,595, all of which expires in 2012. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles, the difference between book and tax amortization methods for premiums and discounts on fixed income securities and the difference between the book and tax treatment of residual interests in tender option bond trusts.

BlackRock MuniYield Quality Fund II, Inc.

Undistributed tax-exempt income -- net	\$ 1,375,621
Undistributed long-term capital gains -- net	--

Total undistributed earnings -- net	1,375,621
Capital loss carryforward	(33,129,439)*
Unrealized gains -- net	23,052,571**

Total accumulated losses -- net	\$ (8,701,247)
	=====

* At October 31, 2006, the Fund had a net capital loss carryforward of \$33,129,439, of which \$231,352 expires in 2007, \$26,302,644 expires in 2008, \$1,033,640 expires in 2010 and \$5,561,803 expires in 2012. These amounts will be available to offset like amounts of any future taxable gains.

** The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on straddles and the difference between the book and tax treatment of residual interests in tender option bond trusts.

6. Restatement Information:

During the year ended October 31, 2006, each of the Funds determined that the criteria for sale accounting in Statement of Financial Accounting Standards No. 140 had not been met for certain transfers of municipal bonds and that these transfers should have been accounted for as secured borrowings rather than as sales. Accordingly, BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc., and BlackRock MuniYield Quality Fund II, Inc. each has restated its Statement of Changes in Net Assets for the year ended October 31, 2005 to give effect to offsetting changes in realized gain -- net and in the change in unrealized appreciation/ depreciation-net on the transferred municipal securities. Additionally, each of the Funds, including BlackRock MuniYield Fund, Inc., has restated its financial highlights for the years ended October 31, 2005, 2004, 2003 and 2002 to give effect to recording the transfers of the municipal bonds as secured borrowings, including recording interest on the bonds as interest income and interest on the secured borrowings as interest expense.

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Statements of Changes in Net Assets
For the Year Ended October 31, 2005

	BlackRock MuniYield Insured Fund, Inc.		BlackRock MuniYield Quality Fund, Inc.	
	Previously Reported	Restated	Previously Reported	Restated
Realized gain -- net	\$ 28,419,498	\$ 29,296,640	\$ 6,677,386	\$ 6,620,058
Change in unrealized appreciation/depreciation -- net	\$(42,239,480)	\$(43,116,622)	\$(18,625,082)	\$(18,567,754)

Financial Highlights for BlackRock MuniYield Fund, Inc.
For the Year Ended October 31, 2005, 2004, 2003 and 2002

	2005		2004		2003
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported
Total expenses, net of reimbursement**	1.02%	1.26%	.97%	1.13%	.99%
Total expenses**	1.02%	1.26%	.98%	1.14%	.99%
Portfolio turnover	32.66%	30%	23.62%	22%	61.95%

** Do not reflect the effect of dividends to Preferred Stock shareholders.

Financial Highlights for BlackRock MuniYield Insured Fund, Inc.
For the Year Ended October 31, 2005, 2004, 2003 and 2002

	2005		2004		2003
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported
Total expenses, net of reimbursement**	1.01%	1.60%	.95%	1.19%	.94%
Total expenses**	1.01%	1.60%	.95%	1.19%	.95%
Portfolio turnover	123.85%	105%	144.40%	122%	114.05%

** Do not reflect the effect of dividends to Preferred Stock shareholders.

Financial Highlights for BlackRock MuniYield Quality Fund, Inc.
For the Year Ended October 31, 2005, 2004, 2003 and 2002

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	2005		2004		2003
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported
Total expenses, net of reimbursement**	.96%	1.44%	.94%	1.25%	.94%
Total expenses** .....	.96%	1.45%	.95%	1.25%	.95%
Portfolio turnover	35.62%	29%	32.87%	28%	33.92%

** Do not reflect the effect of dividends to Preferred Stock shareholders.

Financial Highlights for BlackRock MuniYield Quality Fund II, Inc.
For the Year Ended October 31, 2005, 2004, 2003 and 2002

	2005		2004		2003
	Previously Reported	Restated	Previously Reported	Restated	Previously Reported
Total expenses, net of reimbursement**	1.03%	1.49%	1.01%	1.21%	1.03%
Total expenses**	1.03%	1.49%	1.02%	1.22%	1.03%
Portfolio turnover	37.55%	29%	32.30%	27%	42.06%

** Do not reflect the effect of dividends to Preferred Stock shareholders.

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Notes to Financial Statements (concluded)

While the Statements of Net Assets for each of the Funds as of October 31, 2005, 2004, 2003 and 2002, not presented herein, have not been reissued to give effect to the restatement, the principal effects of the restatement would be to increase investments and liability for trust certificates by corresponding amounts at each year end, with no effect on previously reported net assets.

The Statements of Operations for each of the Funds for the years ended October 31, 2005, 2004, 2003 and 2002, not presented herein, have not been reissued to give effect to the restatement. However, the principal effects of the restatement would be to increase interest income and interest expense and fees by corresponding amounts each year, and, where applicable, to revise realized gain (loss) on investments -- net, and the change in unrealized appreciation/depreciation on investments -- net, by corresponding and offsetting amounts.

The Statements of Changes in Net Assets for each of the Funds for the years ended October 31, 2004, 2003 and 2002, not presented herein, have not been reissued to give effect to the restatement, but the principal effects of a restatement, where applicable, would be to revise previously reported realized gain (loss) -- net, and change in unrealized appreciation/depreciation-net, by corresponding and offsetting amounts.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc.:

We have audited each of the accompanying statements of net assets, including the schedules of investments, of BlackRock MuniYield Fund, Inc. (formerly MuniYield Fund, Inc.), BlackRock MuniYield Quality Fund, Inc. (formerly MuniYield Quality Fund, Inc.), and BlackRock MuniYield Quality Fund II, Inc. (formerly MuniYield Quality Fund II, Inc.), as of October 31, 2006, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, the financial highlights for each of the five years in the period then ended for each of the respective funds, and the statements of cash flows of BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. for the year then ended. We have also audited the accompanying statement of net assets, including the schedule of investments, of BlackRock MuniYield Insured Fund, Inc. (formerly MuniYield Insured Fund, Inc.) as of October 31, 2006, and the related statements of operations, changes in net assets and the financial highlights for the year then ended. The above- referenced funds are hereinafter referred to collectively as the "Funds." These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on the financial statements and financial highlights of each of the funds based on our audits. The statement of changes in net assets of BlackRock MuniYield Insured Fund, Inc. for the year ended October 31, 2005 (before the restatement described in Note 6) and its financial highlights for each of the four years in the period ended October 31, 2005 (before the restatement described in Note 6) were audited by other auditors whose report, dated December 9, 2005, expressed a qualified opinion on that financial statement and financial highlights because of the errors described in Note 6.

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, audits 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, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2006, by correspondence with the custodian 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 of BlackRock MuniYield Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. referred to above present fairly, in all material respects, the respective financial positions of each of those funds as of October 31, 2006, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then

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ended, their financial highlights for each of the five years in the period then ended, and, for BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc., their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Additionally, in our opinion, the financial statements and financial highlights of BlackRock MuniYield Insured Fund, Inc. as of and for the year ended October 31, 2006, present fairly, in all material respects, its financial position as of October 31, 2006, and the results of its operations, changes in its net assets and its financial highlights for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 6, the statements of changes in net assets of BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. for the year ended October 31, 2005, and their respective financial highlights for each of the four years in the period then ended have been restated. As also discussed in Note 6, the financial highlights of BlackRock MuniYield Fund, Inc. for each of the four years in the period ended October 31, 2005 have been restated.

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Report of Independent Registered Public Accounting Firm (concluded)

We also have audited the adjustments, applied by management, to restate the statement of changes in net assets of BlackRock MuniYield Insured Fund, Inc. (the "Insured Fund") for the year ended October 31, 2005 and certain financial highlights of the Insured Fund for each of the four years in the period then ended, to correct the errors described in Note 6. These adjustments are the responsibility of the Insured Fund's management. The audit procedures that we performed with respect to the adjustments included such tests as we considered necessary in the circumstances and were designed to obtain reasonable assurance about whether the adjustments are appropriate and have been properly applied, in all material respects, to the restated statement of changes in net assets of the Insured Fund for the year ended October 31, 2005, and to the restated information in its financial highlights for each of the four years in the period then ended. We did not perform any audit procedures designed to assess whether any additional adjustments or disclosures to the Insured Fund's financial statements or financial highlights as of October 31, 2005, and for each of the four years in the period then ended, might be necessary in order for such financial statements or financial highlights to be presented in conformity with generally accepted accounting principles. In our opinion, the adjustments to the statement of changes in net assets of the Insured Fund for the year ended October 31, 2005, and to its financial highlights for each of the four years in the period then ended, for the restatement described in Note 6 are appropriate and have been properly applied, in all material respects. However, we were not engaged to audit, review, or apply any procedures to the Insured Fund's financial statements or financial highlights as of October 31, 2005, and for each of the four years in the period then ended, other than with respect to the adjustments to the Insured Fund's statement of changes in net assets and its financial highlights for the restatement described in Note 6 and, accordingly, we do not express an opinion or any other form of assurance on the Insured Fund's financial statements as of October 31, 2005, or on its financial highlights for each of the four years in the period then ended.

Deloitte & Touche LLP
Princeton, New Jersey

January 16, 2007

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of MuniYield Insured Fund, Inc.:

We have audited, before the effects of the adjustments for the correction of the error described in Note 6, the accompanying statement of changes in net assets of MuniYield Insured Fund, Inc., for the year ended October 31, 2005, and financial highlights for each of the four years in the period then ended (the 2005 financial statement and financial highlights referred to above before the effects of the adjustments discussed in Note 6 are not presented herein). This financial statement and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement 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. We were not engaged to perform an audit of the Fund's 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 Fund's 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 and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, except for the error described in Note 6, the 2005 financial statement and financial highlights referred to above present fairly, in all material respects, the changes in net assets of MuniYield Insured Fund, Inc. for the year ended October 31, 2005, and the financial highlights for each of the four years in the period then ended, in conformity with U.S. generally accepted accounting principles.

We were not engaged to audit, review, or apply any procedures to the adjustments for the correction of the error described in Note 6 and, accordingly, we do not express an opinion or any other form of assurance about whether such adjustments are appropriate and have been properly applied. Those adjustments were audited by Deloitte & Touche LLP.

/s/ Ernst + Young LLP

Philadelphia, Pennsylvania
December 9, 2005

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Important Tax Information

All of the net investment income distributions paid by BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. during the taxable year ended October 31, 2006 qualify as tax-exempt interest dividends for federal income tax purposes.

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The following summarizes the taxable per share distributions paid by BlackRock MuniYield Fund, Inc. during the year:

	Payable Date	Ordinary Income
Common Stock Shareholders	12/29/2005	\$.003092
Preferred Stock Shareholders:		
Series A	12/21/2005	\$ 1.73
Series B	12/28/2005	\$ 1.65
Series C	12/14/2005	\$ 1.75
Series D	12/07/2005	\$ 1.68
Series E	12/14/2005	\$ 1.68
Series F	12/15/2005	\$ 1.63
Series G	12/19/2005	\$ 1.78

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Important Tax Information (concluded)

Additionally, the following summarizes the taxable per share distributions paid by BlackRock MuniYield Insured Fund, Inc. during the year:

	Payable Date	Ordinary Income	Long-Term Capital Gains
Common Stock Shareholders	12/29/2005	\$.059435	\$.277439
Preferred Stock Shareholders:			
Series A	11/17/2005 12/15/2005	\$23.89 \$ 8.69	\$51.34 \$27.31
Series B	11/25/2005 12/22/2005	\$25.60 \$ 7.20	\$53.18 \$23.81
Series C	11/03/2005 12/01/2005 12/29/2005	\$13.28 \$14.25 \$ 6.71	\$65.17 \$64.32 \$30.35
Series D	11/10/2005 12/08/2005	\$25.86 \$ 6.49	\$50.82 \$27.88
Series E	11/03/2005 11/10/2005 11/17/2005 11/25/2005 12/01/2005 12/08/2005 12/15/2005	\$ 3.35 \$ 3.46 \$ 3.40 \$ 3.72 \$ 3.23 \$ 3.57 \$ 1.53	\$15.46 \$16.46 \$16.15 \$17.77 \$15.42 \$16.94 \$ 7.30
Series F	11/01/2005 11/29/2005 12/27/2005	\$13.38 \$14.98 \$ 6.26	\$65.69 \$67.63 \$28.29
Series G	11/01/2005 11/08/2005	\$ 3.29 \$ 3.51	\$15.15 \$16.18

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	11/15/2005	\$ 2.31	\$10.97
	11/22/2005	\$ 3.52	\$16.75
	11/29/2005	\$ 3.58	\$17.06
	12/06/2005	\$ 3.91	\$18.58
	12/13/2005	\$ 3.58	\$17.06
	12/20/2005	\$ 3.03	\$14.45

Series H	11/04/2005	\$ 3.55	\$16.37
	11/14/2005	\$ 4.74	\$22.54
	11/18/2005	\$ 1.95	\$ 9.34
	11/25/2005	\$ 3.58	\$17.06
	12/02/2005	\$ 3.54	\$16.89
	12/09/2005	\$ 3.91	\$18.58
	12/16/2005	\$ 2.30	\$11.00

Series I	11/07/2005	\$ 3.55	\$16.37
	11/14/2005	\$ 3.45	\$16.40
	11/21/2005	\$ 3.34	\$15.85
	11/28/2005	\$ 3.58	\$17.06
	12/05/2005	\$ 3.49	\$16.57
	12/12/2005	\$ 3.78	\$17.97
	12/19/2005	\$ 3.80	\$18.03
	12/27/2005	\$ 0.04	\$ 0.19

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Change in Fund's Independent Registered Public Accounting Firm

On August 28, 2006, Ernst & Young llp ("E&Y") resigned as the Independent Registered Public Accounting Firm of BlackRock MuniYield Insured Fund, Inc. (the "Fund").

E&Y's reports on the financial statements of the Fund for the past two fiscal years did not contain an adverse opinion or a disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

In connection with its audits for the two most recent fiscal years and through August 28, 2006 (1) there were no disagreements with E&Y on any matter of accounting principle or practice, financial statement disclosure or auditing scope or procedure, whereby such disagreements, if not resolved to the satisfaction of E&Y, would have caused them to make reference to the subject matter of the disagreements in connection with their report on the financial statements for such years; and (2) there have been no reportable events (as defined in item 304(a)(1)(v) of Regulation S-K).

The Audit Committee of the Fund's Board of Directors approved the engagement of Deloitte & Touche llp as the Fund's Independent Registered Public Accounting Firm for the fiscal year ended October 31, 2006.

Fund Certifications

In May 2006, BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. filed their Chief Executive Officer Certification for the prior year with the New York Stock Exchange pursuant to Section 303A.12(a) of the New York Stock Exchange Corporate Governance Listing Standards.

The Funds' Chief Executive Officer and Chief Financial Officer Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 were filed with the

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Funds' Form N-CSR and are available on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

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Disclosure of Investment Advisory Agreement

Disclosure of FAM Investment Advisory Agreements

The Board of Directors of each Fund met in August 2006 to consider approval of the Fund's investment advisory agreement with Fund Asset Management, L.P. ("FAM"), each Fund's investment adviser at that time.

Activities and Composition of the Boards

All but one member of each Board is an independent director whose only affiliation with FAM or other Merrill Lynch affiliates was as a director of the Fund and as a director or trustee of certain other funds advised by FAM or its affiliates. The Co-chairmen of each Board are also independent directors. New director nominees are chosen by a Nominating Committee comprised of independent directors. All independent directors also are members of each Board's Audit Committee, and the independent directors meet in executive session at each in-person Board meeting. Each Board and each Board's Audit Committee meet in person for at least two days each quarter and conduct other in-person and telephone meetings throughout the year, some of which are formal Board meetings and some of which are informational meetings. The independent counsel to the independent directors attends all in-person Board and Audit Committee meetings and other meetings at the independent directors' request.

FAM Investment Advisory Agreements -- Matters Considered by the Boards

Every year, each Fund's Board considers approval of the Fund's investment advisory agreement. Each Board assesses the nature, scope and quality of the services provided to the Fund by the personnel of the investment adviser and its affiliates, including administrative services, shareholder services, oversight of fund accounting, marketing services and assistance in meeting legal and regulatory requirements. Each Board also receives and assesses information regarding the services provided to the Fund by certain unaffiliated service providers.

At various times throughout the year, each Board also considers a range of information in connection with its oversight of the services provided by the investment adviser and its affiliates. Among the matters considered are: (a) fees (in addition to management fees) paid to the investment adviser and its affiliates by the Fund; (b) Fund operating expenses paid to third parties; (c) the resources devoted to and compliance reports relating to each Fund's investment objective, policies and restrictions, and its compliance with its Code of Ethics and compliance policies and procedures; and (d) the nature, cost and character of non-investment management services provided by the investment adviser and its affiliates.

Each Board noted its view of FAM as one of the most experienced global asset management firms and considered the overall services provided by FAM to be of high quality. Each Board also noted its view of FAM as financially sound and well managed and noted FAM's affiliation with one of America's largest financial firms. Each Board works closely with the investment adviser in overseeing the investment adviser's efforts to achieve good performance. As part of this effort, each Board discusses portfolio manager effectiveness and, when performance is not satisfactory, discusses with the investment adviser taking steps such as changing investment personnel.

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Annual Consideration of Approval by the Boards

In the period prior to the Board meeting to consider renewal of the investment advisory agreement, each Board requests and receives materials specifically relating to the Fund's investment advisory agreement. These materials are prepared separately for each Fund and include (a) information compiled by Lipper Inc. ("Lipper") on the fees and expenses, investment performance and leverage of the Fund as compared to a comparable group of funds as classified by Lipper; (b) information comparing each Fund's market price with its net asset value per share; (c) a discussion by the Fund's portfolio management team regarding investment strategies used by the Fund during its most recent fiscal year; (d) information on the profitability to the investment adviser and its affiliates of the investment advisory agreement and other relationships with the Fund; and (e) information provided by the investment adviser concerning investment advisory fees charged to other clients, such as retail closed-end funds, under similar investment mandates. Each Board also considers other matters it deems important to the approval process, such as payments made for services related to the valuation and pricing of Fund portfolio holdings, the Fund's portfolio turnover statistics, and direct and indirect benefits to the investment adviser and its affiliates from their relationship with the Fund.

Certain Specific Renewal Data

In connection with the most recent renewal of each Fund's investment advisory agreement with FAM (each, a "FAM Investment Advisory Agreement") in August 2006, the independent directors' and the Board's review included the following:

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Disclosure of Investment Advisory Agreement (concluded)

Services Provided by the Investment Adviser -- Each Fund's Board reviewed the nature, extent and quality of services provided by FAM, focusing on the investment advisory services and the resulting performance of the Fund. Each Board uses data provided by Lipper and by management in its review of advisory services. Each Board compared Fund performance -- both including and excluding the effects of the Fund's fees and expenses -- to the performance of a comparable group of funds and the performance of a relevant index or combination of indexes. While each Board reviews performance data at least quarterly, each Board attaches more importance to performance over relatively long periods of time, typically three to five years. Each Fund's Board concluded that the comparative data indicated that the Fund's performance was competitive. Considering all these factors, each Fund's Board concluded that the nature and quality of the services provided supported the continuation of the Fund's FAM Investment Advisory Agreement.

FAM's Personnel and Investment Process -- Each Fund's Board reviewed the Fund's investment objectives and strategies. Each Board discussed with FAM's senior management responsible for investment operations and the senior management of FAM's municipal investing group the strategies being used to achieve the stated objectives. Among other things, each Board considered the size, education and experience of FAM's investment staff, its use of technology, and FAM's approach to training and retaining portfolio managers and other research, advisory and management personnel. Each Board also reviewed FAM's compensation policies and practices with respect to the Fund's portfolio managers. Each Board also considered the experience of the Fund's portfolio manager. The Board of MuniYield Fund, Inc. noted that Mr. Jaeckel has more than 15 years of experience in portfolio management, the Board of MuniYield Insured Fund, Inc. noted that Mr. Bock has more than 15 years of experience in portfolio management and the

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Boards of MuniYield Quality Fund, Inc. and MuniYield Quality Fund II, Inc. noted that Mr. Kalinoski has more than five years of experience in portfolio management. Each Fund's Board concluded that FAM and its investment staff have extensive experience in analyzing and managing the types of investments used by the Fund and that the Fund benefits from that experience.

Management Fees and Other Expenses -- Each Fund's Board reviews the Fund's contractual management fee rate and actual management fee rate as a percentage of total assets at common asset levels -- the actual rate includes advisory and administrative service fees and the effects of any fee waivers -- compared to the other funds in its Lipper category. It also compares the Fund's total expenses to those of other comparable funds. Each Board considered the services provided to and the fees charged by FAM to other clients with similar investment mandates. Each Fund's Board determined that the Fund's contractual and actual management fee rates, as well as total expenses, were competitive with those of comparable funds. Each Fund's Board concluded that the Fund's management fee rate and overall expense ratio were reasonable.

Profitability -- Each Board considers the cost of the services provided to the Fund by the investment adviser and the investment adviser's and its affiliates' profits relating to the management and distribution of the Fund and the funds advised by the investment manager and its affiliates. As part of its analysis, each Fund's Board reviewed FAM's methodology in allocating its costs to the management of the Fund and concluded that there was a reasonable basis for the allocation. The Board concluded that the profits of FAM and its affiliates were acceptable in relation to the nature and quality of services provided.

Economies of Scale -- Each Fund's Board considered the extent to which economies of scale might be realized as the assets of the Fund increase and whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in these economies of scale. Each Fund's Board considered economies of scale to the extent applicable to the Fund's closed-end structure and determined that the Fund appropriately benefits from any economies of scale. Each Board determined that the management fee structure was reasonable and that no changes were currently necessary.

Conclusion -- After the independent directors of each Board deliberated in executive session, the entire Board of each Fund, including all of the independent directors, approved the renewal of the pertinent FAM Investment Advisory Agreement, concluding that the advisory fee was reasonable in relation to the services provided and that a contract renewal was in the best interests of the shareholders.

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Disclosure of New Investment Advisory Agreement

New BlackRock Investment Advisory Agreements -- Matters Considered by the Boards

In connection with the combination of Merrill Lynch's investment advisory business, including Fund Asset Management, L.P. (the "Previous Investment Adviser"), with that of BlackRock, Inc. ("BlackRock") to create a new independent company ("New BlackRock") (the "Transaction"), each Fund's Board of Directors considered and approved a new investment advisory agreement (each, a "BlackRock Investment Advisory Agreement") between the Fund and BlackRock Advisors, LLC ("BlackRock Advisors"). Each Fund's shareholders subsequently approved the Fund's BlackRock Investment Advisory Agreement and it became effective on September 29, 2006, replacing the Fund's investment advisory agreement with the Previous Investment Adviser (each, a "Previous Investment Advisory Agreement").

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Each Fund's Board discussed the Fund's BlackRock Investment Advisory Agreement at telephonic and in-person meetings held during April and May 2006. Each Fund's Board, including the independent directors, approved the Fund's BlackRock Investment Advisory Agreement at an in-person meeting held on May 9, 2006.

To assist each Fund's Board in its consideration of the Fund's BlackRock Investment Advisory Agreement, BlackRock provided materials and information about BlackRock, including its financial condition and asset management capabilities and organization, and Merrill Lynch provided materials and information about the Transaction. Each Fund's independent directors, through their independent legal counsel, also requested and received additional information from Merrill Lynch and BlackRock in connection with their consideration of the Fund's BlackRock Investment Advisory Agreement. The additional information was provided in advance of the May 9, 2006 meetings. In addition, each Fund's independent directors consulted with their counsel and Fund counsel on numerous occasions, discussing, among other things, the legal standards and certain other considerations relevant to the directors' deliberations.

At each Fund's Board meetings, the directors discussed with Merrill Lynch management and certain BlackRock representatives the Transaction, its strategic rationale and BlackRock's general plans and intentions regarding the Fund. At these Board meetings, representatives of Merrill Lynch and BlackRock made presentations to and responded to questions from the Boards. The directors also inquired about the plans for and anticipated roles and responsibilities of certain employees and officers of the Previous Investment Adviser, and of its affiliates, to be transferred to BlackRock in connection with the Transaction. The independent directors also conferred separately and with their counsel about the Transaction and other matters related to the Transaction on a number of occasions, including in connection with the April and May 2006 meetings. After the presentations and after reviewing the written materials provided, each Fund's independent directors met in executive sessions with their counsel to consider the Fund's BlackRock Investment Advisory Agreement.

In connection with the directors' review of each Fund's BlackRock Investment Advisory Agreement, Merrill Lynch and/or BlackRock advised the directors about a variety of matters. The advice included the following, among other matters:

- o that there was not expected to be any diminution in the nature, quality and extent of services provided to any of the Funds or their shareholders by BlackRock Advisors, including compliance services;
- o that operation of New BlackRock as an independent investment management firm would enhance its ability to attract and retain talented professionals;
- o that each Fund was expected to benefit from having access to BlackRock's state of the art technology and risk management analytic tools, including investment tools, provided under the BlackRock Solutions(R) brand name;
- o that BlackRock had no present intention to alter any applicable expense waivers or reimbursements that were currently in effect and, while it reserved the right to do so in the future, it would seek Board approval before making any changes;
- o that in connection with the Transaction, Merrill Lynch and BlackRock had agreed to conduct, and use reasonable best efforts to cause their respective affiliates to conduct, their respective businesses in compliance with the conditions of Section 15(f) of the Investment Company Act of 1940 (the "1940 Act") in relation to any public funds advised by BlackRock or the Previous Investment Adviser (or affiliates),

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respectively; and

- o that Merrill Lynch and BlackRock would derive benefits from the Transaction and that, as a result, they had a financial interest in the matters being considered that was different from that of Fund shareholders.

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Disclosure of New Investment Advisory Agreement (continued)

The directors considered the information provided by Merrill Lynch and BlackRock above, and, among other factors, the following:

- o the potential benefits to each Fund's shareholders from being part of a combined fund family with BlackRock-sponsored funds, including possible economies of scale and access to investment opportunities;
- o the reputation, financial strength and resources of BlackRock and its investment advisory subsidiaries and the anticipated financial strength and resources of New BlackRock;
- o the compliance policies and procedures of BlackRock Advisors;
- o the terms and conditions of each Fund's BlackRock Investment Advisory Agreement, including the fact that no Fund's schedule of total advisory fees would increase under the pertinent BlackRock Investment Advisory Agreement, but would remain the same;
- o that in August 2005, each Fund's Board had performed a full annual review of the pertinent Previous Investment Advisory Agreement, as required by the 1940 Act, and had determined that the Previous Investment Adviser had the capabilities, resources and personnel necessary to provide the advisory and administrative services that were then being provided to the Fund; and that the advisory and/or management fees paid by the Fund, taking into account any applicable agreed-upon fee waivers and breakpoints, had represented reasonable compensation to the Previous Investment Adviser in light of the services provided, the costs to the Previous Investment Adviser of providing those services, economies of scale, the fees and other expenses paid by similar funds (including information provided by Lipper Inc. ["Lipper"]), and such other matters as the directors had considered relevant in the exercise of their reasonable judgment; and
- o that Merrill Lynch had agreed to pay all expenses of each Fund in connection with the consideration by the Board of the Fund's BlackRock Investment Advisory Agreement and related agreements and all costs of shareholder approval of the BlackRock Investment Advisory Agreement and as a result the Fund would bear no costs in obtaining shareholder approval of the BlackRock Investment Advisory Agreement.

Certain of these considerations are discussed in more detail below.

In its review of the Fund's BlackRock Investment Advisory Agreement, each Fund's Board assessed the nature, quality and scope of the services to be provided to the Fund by the personnel of BlackRock Advisors and its affiliates, including administrative services, shareholder services, oversight of fund accounting and assistance in meeting legal and regulatory requirements. In its review of the Fund's BlackRock Investment Advisory Agreement, each Fund's Board also considered a range of information in connection with its oversight of the

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services to be provided by BlackRock Advisors and its affiliates. Among the matters considered for each Fund were: (a) fees (in addition to management fees) to be paid to BlackRock Advisors and its affiliates by the Fund; (b) Fund operating expenses paid to third parties; (c) the resources devoted to and compliance reports relating to the Fund's investment objective, policies and restrictions, and its compliance with its Code of Ethics and BlackRock Advisors' compliance policies and procedures; and (d) the nature, cost and character of non-investment management services to be provided by BlackRock Advisors and its affiliates.

In the period prior to each Fund's Board meeting to consider renewal of the Fund's Previous Investment Advisory Agreement, the Board had requested and received materials specifically relating to the Previous Investment Advisory Agreement. For each Fund, these materials included (a) information compiled by Lipper on the fees and expenses and the investment performance of the Fund as compared to a comparable group of funds as classified by Lipper; (b) information comparing the Fund's market price with its net asset value per share; (c) a discussion by the Fund's portfolio management team on investment strategies used by the Fund during its most recent fiscal year; (d) information on the profitability to the Previous Investment Adviser of the Fund's Previous Investment Advisory Agreement and other payments received by the Previous Investment Adviser and its affiliates from the Fund; and (e) information provided by the Previous Investment Adviser concerning services related to the valuation and pricing of Fund portfolio holdings, the Fund's portfolio turnover statistics, and direct and indirect benefits to the Previous Investment Adviser and its affiliates from their relationship with the Fund.

In their deliberations, each Fund's directors considered information received in connection with their most recent approval of the continuance of the Fund's Previous Investment Advisory Agreement, in addition to information

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provided by BlackRock and BlackRock Advisors in connection with their evaluation of the terms and conditions of the Fund's BlackRock Investment Advisory Agreement. None of the Funds' directors identified any particular information that was all-important or controlling. Each Fund's directors, including a majority of the independent directors, concluded that the terms of the Fund's BlackRock Investment Advisory Agreement are appropriate, that the fees to be paid are reasonable in light of the services to be provided to the Fund, and that the BlackRock Investment Advisory Agreement should be approved and recommended to Fund shareholders.

Nature, Quality and Extent of Services Provided -- Each Fund's Board reviewed the nature, quality and scope of services provided by the Previous Investment Adviser, including the investment advisory services and the resulting performance of the Fund, as well as the nature, quality and extent of services expected to be provided by BlackRock Advisors. Each Fund's Board focused primarily on the Previous Investment Adviser's investment advisory services and the Fund's investment performance, but also considered certain areas in which both the Previous Investment Adviser and the Fund received services as part of the Merrill Lynch complex. Each Fund's Board compared the Fund's performance -- both including and excluding the effects of fees and expenses -- to the performance of a comparable group of funds, and the performance of a relevant index or combination of indexes. While each Board reviews performance data at least quarterly, consistent with the Previous Investment Adviser's investment goals, the Board attaches more importance to performance over relatively long periods of time, typically three to five years.

In evaluating the nature, quality and extent of the services to be provided by

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BlackRock Advisors under each Fund's BlackRock Investment Advisory Agreement, the directors considered, among other things, the expected impact of the Transaction on the operations, facilities, organization and personnel of New BlackRock and how it would affect the Fund; the ability of BlackRock Advisors to perform its duties after the Transaction; and any anticipated changes to the investment and other practices of the Fund.

Each Fund's directors were given information with respect to the potential benefits to the Fund and its shareholders from having access to BlackRock's state of the art technology and risk management analytic tools, including the investment tools provided under the BlackRock Solutions brand name.

Each Fund's directors were advised that, as a result of Merrill Lynch's equity interest in BlackRock after the Transaction, the Fund would continue to be subject to restrictions concerning certain transactions involving Merrill Lynch affiliates (for example, transactions with a Merrill Lynch broker-dealer acting as principal) absent revised or new regulatory relief. Each Fund's directors were advised that a revision of existing regulatory relief with respect to these restrictions was being sought from the Securities and Exchange Commission and were advised of the possibility of the receipt of such revised regulatory relief.

Based on their review of the materials provided and the assurances they had received from the management of Merrill Lynch and of BlackRock, each Fund's directors determined that the nature and quality of services to be provided to the Fund under the Fund's BlackRock Investment Advisory Agreement were expected to be as good as or better than that provided under the Fund's Previous Investment Advisory Agreement. The directors were advised that BlackRock Advisors did not plan to change any of the Funds' portfolio management team upon the closing of the transaction. It was noted, however, that other changes in personnel were expected to follow the Transaction and the combination of the operations of the Previous Investment Adviser and its affiliates with those of BlackRock. Each Fund's directors noted that if current portfolio managers or other personnel were to cease to be available prior to the closing of the Transaction, the Board would consider all available options, including seeking the investment advisory or other services of BlackRock affiliates. Accordingly, each Fund's directors concluded that, overall, they were satisfied with assurances from BlackRock and BlackRock Advisors as to the expected nature, quality and extent of the services to be provided to the Fund under the Fund's BlackRock Investment Advisory Agreement.

Costs of Services Provided, Fees and Profitability -- It was noted that, in conjunction with their recent review of the Fund's Previous Investment Advisory Agreement, each Fund's directors had received, among other things, a report from Lipper comparing the Fund's fees and expenses to those of a peer group selected by Lipper, and information as to the fees charged by the Previous Investment Adviser or its affiliates to other registered investment company clients for investment management services. Each Fund's Board reviewed the Fund's contractual management fee rate and actual management fee rate as a percentage of total assets at common asset levels -- the actual rate includes advisory fees and the effects of any fee waivers -- compared to the other funds in its Lipper category. Each Fund's Board also compared the

Disclosure of New Investment Advisory Agreement (concluded)

Fund's total expenses to those of other comparable funds. The information showed that each Fund had fees and expenses within the range of fees and expenses of comparable funds. Each Fund's Board considered the services to be provided by

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and the fees to be charged by BlackRock Advisors to other funds with similar investment mandates and noted that the fees charged by BlackRock Advisors in those cases, including fee waivers and expense reimbursements, were generally comparable to those being charged to the Fund. Each Fund's Board concluded that the Fund's management fee and fee rate and overall expense ratio are reasonable compared to those of other comparable funds.

In evaluating the costs of the services to be provided by BlackRock Advisors under the Fund's BlackRock Investment Advisory Agreement, each Fund's directors considered, among other things, whether advisory fees or other expenses would change as a result of the Transaction. Based on their review of the materials provided and the fact that the Fund's BlackRock Investment Advisory Agreement is substantially similar to the Fund's Previous Investment Advisory Agreement in all material respects, including the rate of compensation, each Fund's directors determined that the Transaction should not increase the total fees payable, including any fee waivers or after any expense caps or expense reimbursements, for advisory and administrative services. Each Fund's directors noted that it was not possible to predict how the Transaction would affect BlackRock Advisors' profitability from its relationship with the Fund.

Each Fund's directors discussed with BlackRock Advisors its general methodology to be used in determining its profitability with respect to its relationship with the Fund and noted that they expect to receive profitability information from BlackRock Advisors on at least an annual basis.

Economies of Scale -- Each Fund's Board considered the extent to which economies of scale might be realized as the assets of the Fund increase and whether there should be changes in the management fee rate or structure in order to enable the Fund to participate in these economies of scale. The Board considered economies of scale to the extent applicable to each Fund's closed-end structure and determined that each Fund appropriately benefits from any economies of scale and no changes were currently necessary.

Fall-Out Benefits -- The directors considered whether the Funds would generate any fall-out benefits to BlackRock Advisors. Fall-out benefits are indirect profits from other activities that accrue to the adviser or its affiliates solely because of the existence of the fund. In evaluating the fall-out benefits to be received by BlackRock Advisors under the Fund's BlackRock Investment Advisory Agreement, each Fund's directors considered whether BlackRock Advisors would experience such benefits to the same extent that the Previous Investment Adviser was experiencing such benefits under the Fund's Previous Investment Advisory Agreement. Based on their review of the materials provided, including materials received in connection with their most recent approval of the continuance of the Fund's Previous Investment Advisory Agreement, and their discussions with management of the Previous Investment Adviser and BlackRock, each Fund's directors determined that BlackRock Advisors' fall-out benefits could include increased ability for BlackRock to distribute shares of its funds and other investment products. The directors noted that any fall-out benefits were difficult to quantify with certainty.

Investment Performance -- Each Fund's Board considered investment performance for the Fund. Each Fund's directors compared the Fund's performance -- both including and excluding the effects of fees and expenses -- to the performance of a comparable group of funds, and the performance of a relevant index or combination of indexes. The comparative information received from Lipper showed each Fund's performance at various levels within the range of performance of comparable funds over different time periods. Each Fund's directors believed the Fund's performance was satisfactory. Also, each Board took into account the investment performance of funds advised by BlackRock Advisors. Each Board considered comparative information from Lipper which showed that the performance of the funds advised by BlackRock Advisors was within the range of performance of comparable funds over different time periods. Each Fund's Board noted

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BlackRock's considerable investment management experience and capabilities, but was unable to predict

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what effect, if any, consummation of the Transaction would have on the future performance of the Fund.

Conclusion -- After the independent directors of each Fund deliberated in executive session, the Fund's entire Board, including the independent directors, approved the Fund's BlackRock Investment Advisory Agreement, concluding that the advisory fee rate was reasonable in relation to the services provided and that the BlackRock Investment Advisory Agreement was in the best interests of the shareholders. In approving the Fund's BlackRock Investment Advisory Agreement, each Fund's Board noted that it anticipated reviewing the continuance of the agreement in advance of the expiration of the initial two-year period.

New BlackRock Sub-Advisory Agreements -- Matters Considered by the Boards

At an in-person meeting held on August 22-23, 2006, each Fund's Board of Directors or Board of Trustees, as pertinent, including the independent directors, discussed and approved the Fund's sub-advisory agreement (each, a "BlackRock Sub-Advisory Agreement") between BlackRock Advisors and its affiliate, BlackRock Investment Management, LLC (the "Sub-Adviser"). Each Fund's BlackRock Sub-Advisory Agreement became effective on September 29, 2006, at the same time the Fund's BlackRock Investment Advisory Agreement became effective.

Pursuant to each Fund's BlackRock Sub-Advisory Agreement, the Sub-Adviser receives a monthly fee from BlackRock Advisors equal to 59% of the advisory fee received by BlackRock Advisors from the Fund. BlackRock Advisors pays the Sub-Adviser out of its own resources, and there is no increase in the expenses of any of the Funds as a result of the Funds' BlackRock Sub-Advisory Agreement.

In approving the Funds' BlackRock Sub-Advisory Agreement at the August in-person meeting, each Fund's Board reviewed its considerations in connection with its approval of the Fund's BlackRock Investment Advisory Agreement in May 2006. Each Fund's Board relied on the same information and considered the same factors as those discussed above in connection with the approval of the Fund's BlackRock Investment Advisory Agreement, and came to the same conclusion. In reviewing the sub-advisory fee rate provided in each Fund's BlackRock Sub-Advisory Agreement, the Fund's Board noted the fact that both BlackRock Advisors and the Sub-Adviser have significant responsibilities under their respective advisory agreements. BlackRock Advisors remains responsible for oversight of each Fund's operations and administration, and the Sub-Adviser provides advisory services to the Fund and is responsible for the day-to-day management of the Fund's portfolio under the Fund's BlackRock Sub-Advisory Agreement. Each Fund's Board also took into account the fact that there is no increase in total advisory fees paid by the Fund as a result of the Fund's BlackRock Sub-Advisory Agreement. Under all of the circumstances, each Fund's Board concluded that it was a reasonable allocation of fees for the Sub-Adviser to receive 59% of the advisory fee paid by the Fund to BlackRock Advisors.

After each Fund's independent directors deliberated in executive session, each Fund's entire Board, including the independent directors, approved the Fund's BlackRock Sub-Advisory Agreement, concluding that the sub-advisory fee was reasonable in relation to the services provided and that the BlackRock Sub-Advisory Agreement was in the best interests of shareholders.

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Officers and Directors

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years

Interested Director				

Robert C. Doll, Jr.*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 52	President and Director	2005 to present	Vice Chairman and Director of BlackRock, Inc., Global Chief Investment Officer for Equities, Chairman of the BlackRock Retail Operating Committee, and member of the BlackRock Executive Committee since 2006; President of the Funds advised by Merrill Lynch Investment Managers, L. ("MLIM") and its affiliates ("MLIM/FAM-advised funds") from 2005 to 2006 and Chief Investment Officer thereof from 2001 to 2006; President of MLIM and Fund Asset Management, L.P. ("FAM") from 2001 to 2006; Co-Head (Americas Region) thereof from 2000 to 2001 and Senior Vice President from 1999 to 2001; President and Director of Princeton Services, Inc. ("Princeton Services") since 2001 President of Princeton Administrators, L.P. ("Princeton Administrators") from 2001 to 2006; Chief Investment Officer of OppenheimerFunds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.

* Mr. Doll is a director, trustee or member of an advisory board of certain other BlackRock acts as investment adviser. Mr. Doll is an "interested person," as defined in the Investment Company Act, of each Fund based on his current and former positions with BlackRock, Inc. Mr. Doll will continue to serve until their resignation, removal or death, or until December 31 of the year of their death. As Fund's President, Mr. Doll serves at the pleasure of the Board of Directors.

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Officers and Directors (continued)

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years

Independent Directors*				

James H.	P.O. Box 9095	Director	2002 to	Director, The China Business Group, Inc. since 1

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Bodurtha**	Princeton, NJ 08543-9095 Age: 62	present	and Executive Vice President thereof from 1996 to 2003; Chairman of the Board, Berkshire Holding Corporation since 1980; Partner, Squire, Sanders Dempsey from 1980 to 1993.

Kenneth A. Froot	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 49	Director 2005 to present	Professor, Harvard University since 1992; Professor, Massachusetts Institute of Technology from 1986 to 1992.

Joe Grills**	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 71	Director 1994 to present	Member of the Committee of Investment of Employee Benefit Assets of the Association of Financial Professionals ("CIEBA") since 1986; Member of CIEBA's Executive Committee since 1988 and its Chairman from 1991 to 1992; Assistant Treasurer International Business Machines Corporation ("IBM") and Chief Investment Officer of IBM Retirement Funds from 1986 to 1993; Member of the Investment Advisory Committee of the State of New York Comm Retirement Fund since 1989; Member of the Investment Advisory Committee of the Howard Hughes Medical Institute from 1997 to 2000; Director, D University Management Company from 1992 to 2004, Vice Chairman thereof from 1998 to 2004, and Director Emeritus thereof since 2004; Director, LaSalle Street Fund from 1995 to 2001; Director, Kimco Realty Corporation since 1997; Member of the Investment Advisory Committee of the Virginia Retirement System since 1998, Vice Chairman thereof from 2002 to 2005, and Chairman thereof since 2005; Director, Montpelier Foundation since 1998 and its Vice Chairman since 2000; Member of the Investment Committee of the Woodberry Forest since 2000; Member of the Investment Committee of the National Trust for Historic Preservation since 2000.

Herbert I. London	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 67	Director 2002 to present	Chairman of the Board of Directors of Vigilant Research, Inc. since 2006; Member of the Board of Directors for Grantham University since 2006; Director of AIMS since 2006; Director of Reflex Security since 2006; Director of InnoCentive, Inc. since 2006; Director of Cerego, LLC since 2005; Professor Emeritus, New York University since 2005; John M. Olin Professor of Humanities, New York University from 1993 to 2005; and Professor thereof from 1980 to 2005; President, Hudson Institute since 1997 and Trustee thereof since 1980; Dean, Gallatin Division of New York University from 1993 to 1999; Distinguished Fellow, Herman Kahn Chair Hudson Institute from 1984 to 1985; Director, Data Corp. from 1991 to 1995; Overseer, Center for Na Analyses from 1983 to 1993.

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Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
Independent Directors* (concluded)				
Roberta Cooper Ramo	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 64	Director	2002 to present	Shareholder, Modrall, Sperling, Roehl, Harris & Sisk, P.A. since 1993; President, American Bar Association from 1995 to 1996 and Member of the Board of Governors thereof from 1994 to 1997; Shareholder, Poole, Kelly & Ramo, Attorneys at L.P.C. from 1977 to 1993; Director of ECMC Group (service provider to students, schools and lenders) since 2001; Director, United New Mexico Bank (now Wells Fargo) from 1983 to 1988; Director, First National Bank of New Mexico (now Wells Fargo) from 1975 to 1976; Vice President, American Law Institute since 2004.

Robert S. Salomon, Jr.	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 69	Director	1996 to present	Principal of STI Management (investment adviser) from 1994 to 1995; Chairman and CEO of Salomon Brothers Asset Management Inc. from 1992 to 1995; Chairman of Salomon Brothers Equity Mutual Funds from 1992 to 1995; regular columnist with Forbes Magazine from 1992 to 2002; Director of Stock Research and U.S. Equity Strategist at Salomon Brothers Inc. from 1975 to 1991; Trustee, Commonfund from 1980 to 2001.
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* Directors serve until their resignation, removal or death, or until December 31
 ** Co-Chairman of the Board of Directors and the Audit Committee.

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
Fund Officers*				
Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 46	Vice President and Treasurer	1993 to present and 1999 to present	Managing Director of BlackRock since 2006; Managing Director of MLIM and FAM from 2006; First Vice President of MLIM and FAM from 1999 to 2006; Vice President of MLIM and FAM from 1999 to 2006.
John M. Loffredo	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 42	Senior Vice President	2002 to present	Managing Director of BlackRock since 2006; Managing Director (Management) of MLIM from 2000 to 2006; Director of MLIM from 2000 to 2006.

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Officers and Directors (concluded)

Name	Address & Age	Position(s) Held with Funds	Length of Time Served	Principal Occupation(s) During Past 5 Years
Fund Officers* (concluded)				
William R. Bock	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 70	Vice President	1993 to present	Director of BlackRock since 2006; Director of MLIM President, thereof, from 1989 to 2005.
Theodore R. Jaeckel Jr.	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 47	Vice President	2004 to present	Managing Director of BlackRock since 2006; Managing Director (Municipal Tax-Exempt Fund Management) since 2006; Director (Municipal Tax-Exempt Fund Management) from 1991 to 2006; Vice President of MLIM from 1991 to 1997.
Michael A. Kalinoski	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 36	Vice President	1999 (MQY) and 2000 (MQT) to present	Director of BlackRock since 2006; Director of MLIM thereof, from 1999 to 2006.
Jeffrey Hiller	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 55	Fund Chief Compliance Officer	2004 to present	Managing Director of BlackRock and Fund Chief Compliance Officer of the MLIM/FAM-advised funds since 2004; Compliance Officer of MLIM (Americas Region) from 2002 to 2004; Global Director of Investment Management from 2002 to 2004; Managing Director of Compliance at Citigroup Asset Management from 2000 to 2002; Chief Compliance Officer at Soros Fund Management in 2000; Chief Financial Officer from 1995 to 2000; Senior Counsel in the SEC's Commission's Division of Enforcement in Washington, D.C. from 1991 to 1995.
Alice A. Pellegrino	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 46	Secretary	2004 to present	Director of BlackRock since 2006; Director (Legal and Compliance) of MLIM from 2006 to 2002; Vice President of MLIM from 1999 to 2002; Secretary of MLIM, FAM, FAM District from 1997 to 2006; Secretary of MLIM, FAM, FAM District from 2004 to 2006.

* Officers of the Funds serve at the pleasure of the Board of Directors.

BlackRock MuniYield Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc.

Custodian

The Bank of New York
100 Church Street
New York, NY 10286

Transfer Agents

Common Stock:

The Bank of New York
101 Barclay Street -- 11 East
New York, NY 10286

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Preferred Stock:

The Bank of New York
101 Barclay Street -- 7 West
New York, NY 10286

Address of the Funds

P.O. Box 9011
Princeton, NJ 08543-9011

BlackRock MuniYield Insured Fund, Inc. and BlackRock MuniYield Quality Fund,
Inc.

Custodian

State Street Bank and Trust Company
P.O. Box 351
Boston, MA 02101

Transfer Agents

Common Stock:

Computershare Trust Company, N.A.
P.O. Box 43010
Providence, RI 02940-3010

Preferred Stock:

The Bank of New York
101 Barclay Street -- 7 West
New York, NY 10286

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Investment Objectives

Investment Objectives

NYSE Symbol MYD	BlackRock MuniYield Fund, Inc. seeks 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 by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.
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NYSE Symbol MYI	BlackRock MuniYield Insured Fund, Inc. seeks 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 by investing primarily in a portfolio of long-term, investment grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.
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NYSE Symbol MQY	BlackRock MuniYield Quality Fund, Inc. seeks to provide shareholders with as high a level of current income exempt
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from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, high-grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes.

NYSE Symbol
MQT

BlackRock MuniYield Quality Fund II, Inc. seeks 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 by investing primarily in a portfolio of long-term, high-grade municipal obligations the interest on which, in the opinion of bond counsel to the issuer, is exempt from federal income taxes. The Fund invests primarily in insured municipal bonds.

Proxy Results

BlackRock MuniYield Fund, Inc.

During the six-month period ended October 31, 2006, BlackRock MuniYield Fund, Inc.'s shareholders voted on the following proposals, which were approved at a special shareholders' meeting on August 15, 2006. A description of the proposals and number of shares voted were as follows:

	Shares Voted For	Shares Voted Against
To approve a new investment advisory agreement with BlackRock Advisors, Inc.	22,383,716	690,012
To approve a contingent subadvisory agreement with BlackRock Advisors, Inc.	22,349,074	729,612

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Proxy Results (concluded)

BlackRock MuniYield Insured Fund, Inc.

During the six-month period ended October 31, 2006, BlackRock MuniYield Insured Fund, Inc.'s shareholders voted on the following proposals, which were approved at a special shareholders' meeting on August 15, 2006. A description of the proposals and number of shares voted were as follows:

	Shares Voted For	Shares Voted Against
To approve a new investment advisory agreement with BlackRock Advisors, Inc.	36,261,576	1,153,334

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To approve a contingent subadvisory agreement with BlackRock Advisors, Inc.	36,219,414	1,180,427
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BlackRock MuniYield Quality Fund, Inc.

During the six-month period ended October 31, 2006, BlackRock MuniYield Quality Fund, Inc.'s shareholders voted on the following proposals, which were approved at a special shareholders' meeting on August 15, 2006. A description of the proposals and number of shares voted were as follows:

	Shares Voted For	Shares Voted Against
To approve a new investment advisory agreement with BlackRock Advisors, Inc.	16,131,843	576,595
To approve a contingent subadvisory agreement with BlackRock Advisors, Inc.	16,117,951	591,917

BlackRock MuniYield Quality Fund II, Inc.

During the six-month period ended October 31, 2006, BlackRock MuniYield Quality Fund II, Inc.'s shareholders voted on the following proposals, which were approved at a special shareholders' meeting on August 15, 2006. A description of the proposals and number of shares voted were as follows:

	Shares Voted For	Shares Voted Against
To approve a new investment advisory agreement with BlackRock Advisors, Inc.	12,365,450	557,035
To approve a contingent subadvisory agreement with BlackRock Advisors, Inc.	12,367,724	569,237

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Automatic Dividend Reinvestment Plan

How the Plan Works -- The Funds offer a Dividend Reinvestment Plan (the "Plan") under which income and capital gains dividends paid by each Fund are automatically reinvested in additional shares of Common Stock of each Fund. The Plan is administered on behalf of the shareholders by The Bank of New York for BlackRock MuniYield Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. and Computershare Trust Company, N.A. for BlackRock MuniYield Insured Fund, Inc. and BlackRock MuniYield Quality Fund, Inc. (individually, the "Plan Agent" or

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together, the "Plan Agents"). Under the Plan, whenever the Funds declare a dividend, participants in the Plan will receive the equivalent in shares of Common Stock of each Fund. The Plan Agents will acquire the shares for the participant's account either (i) through receipt of additional unissued but authorized shares of each Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market on the New York Stock Exchange or elsewhere. If, on the dividend payment date, each Fund's net asset value per share is equal to or less than the market price per share plus estimated brokerage commissions (a condition often referred to as a "market premium"), the Plan Agents will invest the dividend amount in newly issued shares. If the Funds' net asset value per share is greater than the market price per share (a condition often referred to as a "market discount"), the Plan Agents will invest the dividend amount by purchasing on the open market additional shares. If the Plan Agents are 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 Plan Agents will invest any uninvested portion in newly issued shares. The shares acquired are credited to each shareholder's account. The amount credited is determined by dividing the dollar amount of the dividend by either (i) when the shares are newly issued, the net asset value per share on the date the shares are issued or (ii) when shares are purchased in the open market, the average purchase price per share.

Participation in the Plan -- Participation in the Plan is automatic, that is, a shareholder is automatically enrolled in the Plan when he or she purchases shares of Common Stock of the Funds unless the shareholder specifically elects not to participate in the Plan. Shareholders who elect not to participate will receive all dividend distributions in cash. Shareholders who do not wish to participate in the Plan, must advise their Plan Agent in writing (at the address set forth below) that they elect not to participate in the Plan. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by writing to the Plan Agent.

Benefits of the Plan -- The Plan provides an easy, convenient way for shareholders to make additional, regular investments in the Funds. The Plan promotes a long-term strategy of investing at a lower cost. All shares acquired pursuant to the Plan receive voting rights. In addition, if the market price plus commissions of each Fund's shares is above the net asset value, participants in the Plan will receive shares of the Funds for less than they could otherwise purchase them and with a cash value greater than the value of any cash distribution they would have received. However, there may not be enough shares available in the market to make distributions in shares at prices below the net asset value. Also, since each Fund does not redeem shares, the price on resale may be more or less than the net asset value.

Plan Fees -- There are no enrollment fees or brokerage fees for participating in the Plan. The Plan Agents' service fees for handling the reinvestment of distributions are paid for by the Funds. However, brokerage commissions may be incurred when the Funds purchase shares on the open market and shareholders will pay a pro rata share of any such commissions.

Tax Implications -- The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends. Therefore, income and capital gains may still be realized even though shareholders do not receive cash. The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Funds' shares are trading at a market premium, the Funds issue shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of the discount from the market value (which may not exceed 5% of the fair market value of each Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also

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possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Contact Information -- All correspondence concerning the Plan, including any questions about the Plan, should be directed to the Plan Agent at The Bank of New York, Church Street Station, P.O. Box 11258, New York, NY 10286-1258, Telephone: 800-432-8224 for BlackRock MuniYield Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. and Computershare Trust Company, N.A., P.O. Box 43010, Providence, RI 02940-3010, Telephone: 800-426-5523 for BlackRock MuniYield Insured Fund, Inc. and BlackRock MuniYield Quality Fund, Inc.

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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 nonpublic 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 nonpublic 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 Web sites.

BlackRock does not sell or disclose to nonaffiliated third parties any nonpublic personal information about its Clients, except as permitted by law or as is necessary to service Client accounts. These nonaffiliated 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 nonpublic 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 nonpublic personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

Availability of Quarterly Schedule of Investments

The Funds file their complete schedules of portfolio holdings with the Securities and Exchange Commission ("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 Web site at <http://www.sec.gov>. The Funds' Forms N-Q may also be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling

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1-800-SEC-0330.

Dividend Policy

The Funds' dividend policy is to distribute all or a portion of their net investment income to their 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 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 Statement of Assets, Liabilities and Capital, which comprises part of the Financial Information included in this report.

Electronic Delivery

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

To enroll:

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

Please contact your financial adviser. Please note that not all investment advisers, banks or brokerages may offer this service.

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These reports, including the financial information herein, are transmitted to shareholders of BlackRock MuniYield Fund, Inc., BlackRock MuniYield Insured Fund, Inc., BlackRock MuniYield Quality Fund, Inc. and BlackRock MuniYield Quality Fund II, Inc. for their information. This is not a prospectus. Past performance results shown in these reports should not be considered a representation of future performance. The Funds have leveraged their Common Stock and intend to remain leveraged by issuing Preferred Stock to provide the Common Stock shareholders with potentially higher rates of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

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 toll-free 1-800-441-7762; (2) at www.blackrock.com; and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. 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 (1) at www.blackrock.com and (2) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

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(g) Fiscal Year Ending October 31, 2006 - \$3,204,783
Fiscal Year Ending October 31, 2005 - \$9,200

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant 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.

Regulation S-X Rule 2-01(c) (7) (ii) - \$1,739,500 , 0%

Item 5 - Audit Committee of Listed Registrants - The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a) (58) (A) of the Exchange Act (15 U.S.C. 78c(a) (58) (A)):

James H. Bodurtha
Kenneth A. Froot
Joe Grills
Herbert I. London
Roberta Cooper Ramo
Robert S. Salomon, Jr.
Stephen B. Swensrud (retired as of December 31, 2005)

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -

Proxy Voting Policies and Procedures

Each Fund's Board of Directors has delegated to the Manager authority to vote all proxies relating to the Fund's portfolio securities. The Manager has adopted policies and procedures (the "Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Manager's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Manager believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that the Manager considers the interests of its clients, including each Fund, and not the interests of the Manager, when voting proxies and that real (or perceived) material conflicts that may arise between the Manager's interest and those of the Manager's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Manager has formed a Proxy Voting Committee (the "Committee"). The Committee, which is a subcommittee of the Manager's Equity Investment Policy Oversight Committee ("EIPOC"), is comprised of a senior member of the Manager's equity management group who is also a member of EIPOC, one or more other senior investment professionals appointed by EIPOC, portfolio managers and investment analysts appointed by EIPOC and any other personnel EIPOC deems appropriate. The Committee will also include two non-voting representatives from the Manager's Legal Department appointed by the Manager's General Counsel. The Committee's membership

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shall be limited to full-time employees of the Manager. No person with

any investment banking, trading, retail brokerage or research responsibilities for the Manager's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee on the same basis as other interested knowledgeable parties not affiliated with the Manager might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Manager and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Manager and is responsible for determining how those policies are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Manager believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Manager on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Manager will generally seek to vote proxies over which the Manager exercises voting authority in a uniform manner for all the Manager's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Manager in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to the Manager by ISS include in-depth research, voting recommendations (although the Manager is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping obligations under the Investment Company Act.

The Manager's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Manager generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Manager will vote proxies related to securities of foreign issuers only on a best efforts basis and may elect not to vote at all in

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certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Manager may be required to vote proxies in respect of an issuer where an affiliate of the Manager (each, an "Affiliate"), or a money management or other client of the Manager, including investment companies for which the Manager provides investment advisory, administrative and/or other services (each, a "Client"), is involved. The Proxy Voting Procedures and the Manager's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, the Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of the Manager's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the Committee may pass the voting power to a subcommittee, appointed by EIPOC (with advice from the Secretary of the Committee), consisting solely of Committee members selected by EIPOC. EIPOC shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and whose job evaluations would not be affected by the Manager's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Manager's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Manager's normal voting guidelines or, on matters where the Manager's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Manager on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Manager's fiduciary duties.

In addition to the general principles outlined above, the Manager has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Manager may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Manager has adopted specific voting guidelines with respect to the following proxy issues:

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o Proposals related to the composition of the board of directors of issuers other than investment companies. As a general matter, the Committee believes that a company's board of directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is, therefore, best-positioned to set corporate policy and oversee management. The Committee, therefore, believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in

a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a nominee's number of other directorships, history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.

o Proposals related to the selection of an issuer's independent auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.

o Proposals related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of an issuer's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by an issuer's board of directors, rather than shareholders. Proposals to "micro-manage" an issuer's compensation practices or to set arbitrary restrictions on compensation or benefits will, therefore, generally not be supported.

o Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.

o Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.

o Routine proposals related to requests regarding the formalities of corporate meetings.

o Proposals related to proxy issues associated solely with holdings of investment company shares. As with other types of companies, the Committee believes that a fund's board of directors (rather than its shareholders) is best positioned to set fund policy and oversee management. However, the Committee opposes granting boards of directors authority over certain matters, such as changes to a fund's investment objective, which the Investment Company Act envisions will be approved directly by shareholders.

o Proposals related to limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The

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Committee generally believes that annual shareholder meetings are inappropriate forums for discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Information about how a Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12 month period ended October 31 is available without charge (1) at www.blackrock.com and (2) on the Commission's web site at <http://www.sec.gov>.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - as of October 31, 2006.

(a)(1) BlackRock MuniYield Insured Fund, Inc. is managed by a team of investment professionals comprised of William R. Bock, 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. Mr. Jaeckel and Mr. O'Connor are responsible for setting the Fund's overall investment strategy and overseeing the management of the Fund. Mr. Bock is the Fund's lead portfolio manager and is responsible for the day-to-day management of the Fund's portfolio and the selection of its investments. Messrs. Jaeckel and O'Connor have been members of the Fund's management team since 2006 and Mr. Bock has been the Fund's portfolio manager since 1993.

Mr. Jaeckel joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of Merrill Lynch Investment Managers, L.P. ("MLIM") from 2005 to 2006 and a Director of MLIM from 1997 to 2005. He has been a portfolio manager with BlackRock or MLIM since 1991.

Mr. O'Connor joined BlackRock in 2006. Prior to joining BlackRock, he was a Managing Director (Municipal Tax-Exempt Fund Management) of MLIM from 2003 to 2006 and was a Director of MLIM from 1997 to 2002. He has been a portfolio manager with BlackRock or MLIM since 1991.

Mr. Bock joined BlackRock in 2006. Prior to joining BlackRock, he was a Director (Municipal Tax-Exempt Fund Management) of MLIM from 2005 to 2006. He has been the portfolio manager with BlackRock or MLIM since 1989.

(a)(2)As of October 31, 2006:

(i) Name of Portfolio Manager	(ii) Number of Other Accounts Managed and Assets by Account Type			(iii) Number of Assets for Pe
	Other Registered Investment Companies	Other Pooled Investment Vehicles	Other Accounts	Other Registered Investment Companies
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William R. Bock	3		0		0		0		0
	\$ 969,873,814	\$	0	\$	0	\$	0	\$	0
Theodore R. Jaeckel, Jr.	82		0		0		0		0
	\$28,915,537,246	\$	0	\$	0	\$	0	\$	0
Walter O. Connor	82		0		0		0		0
	\$28,915,537,246	\$	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 any officer, director, stockholder 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 any officer, director, stockholder, 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') officers, directors or employees are directors or officers, or companies as to which BlackRock or any of its affiliates or the officers, directors and employees of any of them has any substantial economic interest or possesses material non-public information. Each portfolio manager also may manage accounts whose investment strategies may at times be opposed to the strategy utilized for the Fund. In this connection, it should be noted that certain portfolio managers currently manage certain accounts that are subject to performance fees. In addition, certain portfolio managers assist in managing certain hedge funds and may be entitled to receive a portion of any incentive fees earned on such funds and a portion of such incentive fees may be voluntarily or involuntarily deferred. Additional portfolio managers may in the future manage other such accounts or funds and may be entitled to receive incentive fees.

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 a policy that is intended to ensure that investment opportunities are allocated fairly and equitably among client accounts over time. This policy also seeks to achieve reasonable efficiency in client transactions and provide BlackRock with sufficient

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flexibility to allocate investments in a manner that is consistent with the particular investment discipline and client base.

(a) (3) As of October 31, 2006:

Portfolio Manager Compensation

The portfolio manager compensation program of BlackRock and its affiliates, including the Investment Adviser, is critical to BlackRock's ability to attract and retain the most talented asset management professionals. This program ensures that compensation is aligned with maximizing investment returns and it provides a competitive pay opportunity for competitive performance.

Compensation Program

The elements of total compensation for certain BlackRock and its affiliates portfolio managers are a fixed base salary, annual performance-based cash and stock compensation (cash and stock bonus) and other benefits. BlackRock has balanced these components of pay to provide portfolio managers with a

powerful incentive to achieve consistently superior investment performance. By design, portfolio manager compensation levels fluctuate -- both up and down -- with the relative investment performance of the portfolios that they manage.

Base Salary

Under the BlackRock approach, like that of many asset management firms, base salaries represent a relatively small portion of a portfolio manager's total compensation. This approach serves to enhance the motivational value of the performance-based (and therefore variable) compensation elements of the compensation program.

Performance-Based Compensation

BlackRock believes that the best interests of investors are served by recruiting and retaining exceptional asset management talent and managing their compensation within a consistent and disciplined framework that emphasizes pay for performance in the context of an intensely competitive market for talent. To that end, certain BlackRock and its affiliates portfolio manager incentive compensation is based on a formulaic compensation program.

BlackRock's formulaic portfolio manager compensation program includes: investment performance relative to a subset of general closed-end, insured, municipal debt funds over 1-, 3- and 5-year performance periods and a measure of operational efficiency. Portfolio managers are compensated based on the pre-tax performance of the products they manage. If a portfolio manager's tenure is less than 5-years, performance periods will reflect time in position. Portfolio managers are compensated based on the products they manage. A discretionary element of portfolio manager compensation may include consideration of: financial results, expense control, profit margins, strategic planning and implementation, quality of client service, market share, corporate reputation, capital allocation, compliance and risk control, leadership, workforce diversity, supervision, technology and innovation. All factors are considered collectively by BlackRock management.

Cash Bonus

Performance-based compensation is distributed to portfolio managers in a combination of cash and stock. Typically, the cash bonus, when combined with base salary, represents more than 60% of total compensation for portfolio

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managers.

Stock Bonus

A portion of the dollar value of the total annual performance-based bonus is paid in restricted shares of BlackRock stock. Paying a portion of annual bonuses in stock puts compensation earned by a portfolio manager for a given year "at risk" based on the Company's ability to sustain and improve its performance over future periods.

The ultimate value of stock bonuses is dependent on future BlackRock stock price performance. As such, the stock bonus aligns each portfolio manager's financial interests with those of BlackRock shareholders and encourages a balance between short-term goals and long-term strategic objectives. Management strongly believes that providing a significant portion of competitive performance-based compensation in stock is in the best interests of investors and shareholders. This approach ensures that portfolio managers participate as shareholders in both the "downside risk" and "upside opportunity" of the Company's performance. Portfolio managers therefore have a direct incentive to protect BlackRock's reputation for integrity.

Other Compensation Programs

Portfolio managers who meet relative investment performance and financial management objectives during a performance year are eligible to participate in a deferred cash program. Awards under this program are in the form of deferred cash that may be benchmarked to a menu of certain BlackRock mutual funds (including their own funds) during a five-year vesting period. The deferred cash program aligns the interests of participating portfolio managers with the investment results of BlackRock products and promotes continuity of successful portfolio management teams.

Other Benefits

Portfolio managers are also eligible to participate in broad-based plans offered generally to BlackRock employees, including broad-based retirement, 401(k), health, and other employee benefit plans.

- (a) (4) Beneficial Ownership of Securities. As of October 31, 2006, neither of Messrs. Bock, Jaekel and O'Connor beneficially owns any stock issued by the Fund.

Item 9 - Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers - Not Applicable

Item 10 - Submission of Matters to a Vote of Security Holders - Not Applicable

Item 11 - Controls and Procedures

11(a) - The Registrant's principal executive and principal financial officers have evaluated the Registrant's disclosure controls and procedures, including internal control over financial reporting, within 90 days of this filing. Such principal officers have concluded that the Registrant's disclosure controls and procedures were effective in design and operation to reasonably ensure that information required to be disclosed by the Registrant in this Form N-CSR was recorded, processed, summarized, and reported within the required time periods, and were sufficient to form the basis of the certifications required by Rule 30a-(2) of the Investment Company Act of 1940, as amended. Prior to reaching that conclusion, such principal officers had become aware of

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matters relating to the Registrant's participation in certain inverse floater structures that necessitated adjustments to financial information included in Item 1 of this filing. As a result, management of the Registrant has reevaluated certain disclosure controls and procedures determined not to be effective, as discussed more fully below.

Management of the Registrant is responsible for establishing and maintaining effective internal control over financial reporting. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The Registrant's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles. Such internal control includes policies and procedures that provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of a registrant's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Registrant's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Registrant's annual or interim financial statements that is more than inconsequential will not be prevented or detected. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the annual or interim financial statements will not be prevented or detected.

Prior to the filing of this Form N-CSR, the Registrant identified the following control deficiency, that was determined to be a material weakness, as defined above, in the Registrant's internal control over financial reporting. The Registrant's controls related to the review and analysis of relevant terms and conditions of transfers of certain assets pertaining to inverse floater structures were not operating effectively to appropriately determine whether the transfers of assets qualified for sale accounting under the provisions of Statement of Financial Accounting Standards No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities" ("SFAS 140"). Accordingly, the Registrant's financial statements as of and for the period ended October 31, 2006, including prior periods where applicable, were adjusted prior to being issued to appropriately reflect transfers of such securities as secured borrowings and to report the related income and expense. These adjustments had no impact on net assets, net asset value per share or total return.

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Management of the Registrant believes that subsequent to the adjustments, the Registrant's accounting treatment of such transfers is appropriate under SFAS 140. Additionally, management of the Registrant is taking such further actions as are necessary to enhance its internal control over financial reporting, and in doing so, increase the effectiveness of such controls, so that such transfers of assets are reviewed and evaluated appropriately under the provisions of SFAS 140.

11(b) - There have been no changes in the Registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Investment Company Act of 1940, as amended) that occurred during the second half of the Registrant's fiscal year that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting. However, as discussed above, subsequent to October 31, 2006, the Registrant is further enhancing controls related to the application of SFAS 140.

Item 12 - Exhibits attached hereto

12(a) (1) - Code of Ethics - See Item 2

12(a) (2) - Certifications - Attached hereto

12(a) (3) - Not Applicable

12(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 Insured Fund, Inc.

By: /s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.,
Chief Executive Officer of
BlackRock MuniYield Insured Fund, Inc.

Date: January 18, 2007

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/ Robert C. Doll, Jr.

Robert C. Doll, Jr.,
Chief Executive Officer of
BlackRock MuniYield Insured Fund, Inc.

Date: January 18, 2007

By: /s/ Donald C. Burke

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Donald C. Burke,
Chief Financial Officer of
BlackRock MuniYield Insured Fund, Inc.

Date: January 18, 2007