

BLACKROCK MUNIYIELD FUND, INC.  
Form N-CSR  
July 01, 2016

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: 811-06414

Name of Fund: BlackRock MuniYield Fund, Inc. (MYD)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

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

Date of fiscal year end: 04/30/2016

Date of reporting period: 04/30/2016

Item 1 Report to Stockholders

ANNUAL REPORT

**BlackRock MuniYield Fund, Inc. (MYD)**

**BlackRock MuniYield Quality Fund, Inc. (MQY)**

**BlackRock MuniYield Quality Fund II, Inc. (MQT)**

Not FDIC Insured May Lose Value No Bank Guarantee

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## The Markets in Review

Dear Shareholder,

Diverging monetary policies and shifting economic outlooks across regions have been the overarching themes driving financial markets over the past couple of years. Investors spent most of 2015 anticipating the end of the Federal Reserve's (the Fed's) near-zero interest rate policy as U.S. growth outpaced other developed markets. The Fed ultimately hiked rates in December, whereas the European Central Bank and the Bank of Japan took additional steps to stimulate growth, even introducing negative interest rates. The U.S. dollar had strengthened considerably ahead of these developments, causing profit challenges for U.S. companies that generate revenues overseas, and pressuring emerging market currencies and commodities prices.

Global market volatility increased in the latter part of 2015 and spilled over into early 2016. Oil prices were a key factor behind the instability after collapsing in mid-2015 due to excess global supply. China, one of the world's largest consumers of oil, was another notable source of stress for financial markets. Signs of slowing economic growth, a depreciating yuan and declining confidence in the country's policymakers stoked investors' worries about the potential impact of China's weakness on the global economy. Risk assets (such as equities and high yield bonds) suffered in this environment.

After a painful start to the new year, fears of a global recession began to fade as the first quarter wore on, allowing markets to calm and risk assets to rebound. Central bank stimulus in Europe and Japan, combined with a more tempered outlook for rate hikes in the United States, helped bolster financial markets. A softening in U.S. dollar strength offered some relief to U.S. exporters and emerging market economies. Oil prices found firmer footing as global supply showed signs of leveling off.

The selloff in risk assets at the turn of the year brought valuations to more reasonable levels, creating some appealing entry points for investors in 2016. Nonetheless, slow but relatively stable growth in the United States is countered by a less optimistic global economic outlook and uncertainties around the efficacy of China's policy response, the potential consequences of negative interest rates in Europe and Japan, and a host of geopolitical risks.

For the 12 months ended April 30, 2016, higher-quality assets such as municipal bonds, U.S. Treasuries and investment grade corporate bonds generated positive returns, while riskier assets such as non-U.S. and small cap equities broadly declined.

At BlackRock, we believe investors need to think globally, extend their scope across a broad array of asset classes and be prepared to adjust accordingly as market conditions change over time. We encourage you to talk with your financial advisor and visit [blackrock.com](http://blackrock.com) for further insight about investing in today's markets.

Sincerely,

Rob Kapito

President, BlackRock Advisors, LLC

Rob Kapito

President, BlackRock Advisors, LLC

### Total Returns as of April 30, 2016

6-month	12-month
0.43%	1.21%

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U.S. large cap equities (S&P 500® Index)		
U.S. small cap equities (Russell 2000® Index)	(1.90)	(5.94)
International equities (MSCI Europe, Australasia, Far East Index)	(3.07)	(9.32)
Emerging market equities (MSCI Emerging Markets Index)	(0.13)	(17.87)
3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.14	0.15
U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	3.76	3.74
U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	2.82	2.72
Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.52	5.16
U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	2.38	(1.08)

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

THIS PAGE NOT PART OF YOUR FUND REPORT

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## Municipal Market Overview

For the Reporting Period Ended April 30, 2016

### Municipal Market Conditions

Municipal bonds generated positive performance for the period, due to falling interest rates and a favorable supply-and-demand environment. Interest rates were volatile in 2015 (bond prices rise as rates fall) leading up to a long-awaited rate hike from the U.S. Federal Reserve (the Fed) that ultimately came in December. However, ongoing reassurance from the Fed that rates would be increased gradually and would likely remain low overall resulted in strong demand for fixed income investments, with municipal bonds being one of the strongest-performing sectors for the 12-month period. Investors favored the relative stability of municipal bonds amid bouts of volatility resulting from uneven U.S. economic data, falling oil prices, global growth concerns, geopolitical risks, and widening central bank divergence i.e., policy easing outside the United States while the Fed was posturing to commence policy tightening. During the 12 months ended April 30, 2016, municipal bond funds garnered net inflows of approximately \$27 billion (based on data from the Investment Company Institute).

For the same 12-month period, total new issuance remained relatively strong from a historical perspective at \$380 billion (though lower than the \$397 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 58%) as issuers took advantage of low interest rates and a flatter yield curve to reduce their borrowing costs.

S&P Municipal Bond Index	
Total Returns as of April 30, 2016	
6 months:	3.52%
12 months:	5.16%

### A Closer Look at Yields

From April 30, 2015 to April 30, 2016, yields on AAA-rated 30-year municipal bonds decreased by 47 basis points ( bps ) from 3.05% to 2.58%, while 10-year rates fell by 51 bps from 2.12% to 1.61% and 5-year rates decreased 32 bps from 1.30% to 0.98% (as measured by Thomson Municipal Market Data). The municipal yield curve experienced significant flattening over

the 12-month period with the spread between 2- and 30-year maturities flattening by 58 bps and the spread between 2-and 10-year maturities flattening by 62 bps.

During the same time period, on a relative basis, tax-exempt municipal bonds broadly outperformed U.S. Treasuries with the greatest outperformance experienced in longer-term issues. In absolute terms, the positive performance of municipal bonds was driven largely by falling interest rates as well as a supply/demand imbalance within the municipal market as investors sought income and incremental yield in an environment where opportunities became increasingly scarce. More broadly, municipal bonds benefited from the greater appeal of tax-exempt investing in light of the higher tax rates implemented in 2014. The asset class is known for its lower relative volatility and preservation of principal with an emphasis on income as tax rates rise.

### Financial Conditions of Municipal Issuers

The majority of municipal credits remain strong, despite well-publicized distress among a few issuers. Four of the five states with the largest amount of debt outstanding California, New York, Texas and Florida have exhibited markedly improved credit fundamentals during the slow national recovery. However, several states with the largest unfunded pension liabilities have seen their bond prices decline noticeably and remain vulnerable to additional price deterioration. On the local level, Chicago's credit quality downgrade is an outlier relative to other cities due to its larger pension liability and inadequate funding remedies. BlackRock maintains the view that municipal bond defaults will remain minimal and in the periphery while the overall market is fundamentally sound. We continue to advocate careful credit research and believe that a thoughtful approach to structure and security selection remains imperative amid uncertainty in a modestly improving economic environment.

The opinions expressed are those of BlackRock as of April 30, 2016, and are subject to change at any time due to changes in market or economic conditions. The comments should not be construed as a recommendation of any individual holdings or market sectors. Investing involves risk including loss of principal. Bond values fluctuate in price so the value of your investment can go down depending on market conditions. Fixed income risks include interest-rate and credit risk. Typically, when interest rates rise, there is a corresponding decline in bond values. Credit risk refers to the possibility that the bond issuer will not be able to make

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principal and interest payments. There may be less information on the financial condition of municipal issuers than for public corporations. The market for municipal bonds may be less liquid than for taxable bonds. Some investors may be subject to Alternative Minimum Tax (AMT). Capital gains distributions, if any, are taxable.

The Standard & Poor's Municipal Bond Index, a broad, market value-weighted index, seeks to measure the performance of the US municipal bond market. All bonds in the index are exempt from US federal income taxes or subject to the alternative minimum tax. Past performance is no guarantee of future results. Index performance is shown for illustrative purposes only. It is not possible to invest directly in an index.



## The Benefits and Risks of Leveraging

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

In general, the concept of leveraging is based on the premise that the financing cost of leverage, which is based on short-term interest rates, is normally lower than the income earned by a Fund on its longer-term portfolio investments purchased with the proceeds from leverage. To the extent that the total assets of the Funds (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, the Funds' shareholders benefit from the incremental net income. The interest earned on securities purchased with the proceeds from leverage is paid to shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share NAV.

To illustrate these concepts, assume a Fund's Common Shares capitalization is \$100 million and it utilizes leverage for an additional \$30 million, creating a total value of \$130 million available for investment in longer-term income securities. If prevailing short-term interest rates are 3% and longer-term interest rates are 6%, the yield curve has a strongly positive slope. In this case, a Fund's financing costs on the \$30 million of proceeds obtained from leverage are based on the lower short-term interest rates. At the same time, the securities purchased by a Fund with the proceeds from leverage earn income based on longer-term interest rates. In this case, a Fund's financing cost of leverage is significantly lower than the income earned on a Fund's longer-term investments acquired from leverage proceeds, and therefore the holders of Common Shares ( Common Shareholders ) are the beneficiaries of the incremental net income.

However, in order to benefit Common Shareholders, the return on assets purchased with leverage proceeds must exceed the ongoing costs associated with the leverage. If interest and other costs of leverage exceed the Funds' return on assets purchased with leverage proceeds, income to shareholders is lower than if the Funds had not used leverage. Furthermore, the value of the Funds' portfolio investments generally varies inversely with the direction of long-term interest rates, although other factors can influence the value of portfolio investments. In contrast, the value of the Funds' obligations under their respective leverage arrangements generally does not fluctuate in relation to interest rates. As a result, changes in interest rates can influence the Funds' NAVs positively or

negatively. Changes in the future direction of interest rates are very difficult to predict accurately, and there is no assurance that a Fund's intended leveraging strategy will be successful.

Leverage also generally causes greater changes in the Funds' NAVs, market prices and dividend rates than comparable portfolios without leverage. In a declining market, leverage is likely to cause a greater decline in the NAV and market price of a Fund's Common Shares than if the Funds were not leveraged. In addition, the Funds may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause the Funds to incur losses. The use of leverage may limit a Fund's ability to invest in certain types of securities or use certain types of hedging strategies. The Funds incur expenses in connection with the use of leverage, all of which are borne by Common Shareholders and may reduce income to the Common Shares. Moreover, to the extent the calculation of the Funds' investment advisory fees includes assets purchased with the proceeds of leverage, the investment advisory fees payable to the Funds' investment advisor will be higher than if the Funds did not use leverage.

To obtain leverage, each Fund has issued Variable Rate Demand Preferred Shares ( VRDP Shares ) or Variable Rate Muni Term Preferred Shares ( VMTP Shares ), (collectively, Preferred Shares ) and/or leveraged its assets through the use of tender option bond trusts ( TOB Trusts ) as described in the Notes to Financial Statements.

Under the Investment Company Act of 1940, as amended (the 1940 Act ), each Fund is permitted to issue debt up to 33 1/3% of its total managed assets or equity securities (e.g., Preferred Shares) up to 50% of its total managed assets. A Fund may voluntarily elect to limit its leverage to less than the maximum amount permitted under the 1940 Act. In addition, a Fund may also be subject to certain asset coverage, leverage or portfolio composition requirements imposed by the Preferred Shares' governing instruments or by agencies rating the Preferred Shares, which may be more stringent than those imposed by the 1940 Act.

If a Fund segregates or designates on its books and records cash or liquid assets having a value not less than the value of a Fund's obligations under the TOB Trust (including accrued interest), a TOB Trust is not considered a senior security and is not subject to the foregoing limitations and requirements under the 1940 Act.

## Derivative Financial Instruments

The Funds may invest in various derivative financial instruments. These instruments are used to obtain exposure to a security, commodity, index, market, and/or other asset without owning or taking physical custody of securities, commodities and/or other referenced assets or to manage market, equity, credit, interest rate, foreign currency exchange rate, commodity and/or other risks. Derivative financial instruments may give rise to a form of economic leverage and involve risks, including the imperfect correlation between the value of a derivative financial instrument and the underlying asset, possible default of the counterparty to the

transaction or illiquidity of the instrument. The Funds' successful use of a derivative financial instrument depends on the investment advisor's ability to predict pertinent market movements accurately, which cannot be assured. The use of these instruments may result in losses greater than if they had not been used, may limit the amount of appreciation a Fund can realize on an investment and/or may result in lower distributions paid to shareholders. The Funds' investments in these instruments, if any, are discussed in detail in the Notes to Financial Statements.

## Fund Summary as of April 30, 2016

BlackRock MuniYield Fund, Inc.

## Fund Overview

BlackRock MuniYield Fund, Inc. s (MYD) (the Fund ) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests, under normal market conditions, at least 75% of its assets in municipal bonds rated investment grade and invests primarily in long-term municipal bonds with a maturity of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

## Fund Information

Symbol on New York Stock Exchange ( NYSE )	MYD
Initial Offering Date	November 29, 1991
Yield on Closing Market Price as of April 30, 2016 (\$15.73) <sup>1</sup>	5.87%
Tax Equivalent Yield <sup>2</sup>	10.37%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.077
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.924
Economic Leverage as of April 30, 2016 <sup>4</sup>	37%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>3</sup> The monthly distribution per Common Share, declared on June 1, 2016, was decreased to \$0.072 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>4</sup> Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

## Performance

Returns for the 12 months ended April 30, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MYD <sup>1,2</sup>	12.36%	8.81%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>3</sup>	13.64%	8.61%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

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<sup>2</sup> The Fund moved from a discount to NAV to a premium during the period, which accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

The following discussion relates to the Fund's absolute performance based on NAV:

A positive interest-rate backdrop helped fuel a robust gain for the U.S. municipal bond market during the annual period. U.S. Treasury yields fell (as prices rose) amid an environment of slow global growth, declining yields overseas, and an emerging consensus that the Fed would maintain a gradual approach to raising short-term interest rates. Municipals generally outperformed Treasuries, reflecting favorable supply-and-demand conditions in the market and the overall health of state and local finances outside of select areas such as Puerto Rico, Illinois and New Jersey. Longer-term municipal bonds outpaced their short-term counterparts, while lower-quality securities typically outperformed higher-quality issues.

Income in the form of coupon payments made up a meaningful portion of the Fund's total return for the period. In addition, the Fund's minimal cash position and use of leverage provided both incremental return and income.

The Fund's duration positioning, highlighted by concentrations in longer-dated securities with maturities of 25 years and above, also aided results. (Duration is a measure of interest-rate sensitivity.) Positions in lower-rated investment-grade bonds, as well as holdings of below investment-grade and unrated bonds, further helped performance at a time of elevated demand for higher-risk, higher-yielding investments. Sector concentrations in transportation, health care and utilities also contributed strongly.

Despite offering generous yields in comparison to the broader market, the Fund's more seasoned holdings detracted from performance due to the premium amortization that occurred as the bonds approached their first call dates. (When a bond's price trades at a premium over its face value, the difference is amortized over time. A bond premium occurs when the price of the bond has increased due to a decline in interest rates.) The Fund's yield curve positioning also detracted somewhat given the more substantive decline in intermediate term yields in relation to the longer maturities in which the portfolio's holdings are largely concentrated.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in the market.

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

## Market Price and Net Asset Value Per Share Summary

	4/30/16	4/30/15	Change	High	Low
Market Price	\$ 15.73	\$ 14.91	5.50%	\$ 15.80	\$ 13.75
Net Asset Value	15.62				
	\$ <sup>1</sup>	\$ 15.29	2.16%	\$ 15.65	\$ 14.85

<sup>1</sup> The net asset value does not reflect adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and therefore differs from amounts reported in the Statements of Assets and Liabilities and the Financial Highlights.

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Fund's Total Investments\*

Sector Allocation	4/30/16	4/30/15
Transportation	23%	24%
Health	21	20
Utilities	11	11
Education	12	12
State	10	10
County/City/Special District/School District	9	11
Corporate	8	8
Tobacco	6	4

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

Call/Maturity Schedule<sup>3</sup>

Calendar Year Ended December 31,

2016	5%
2017	3
2018	3
2019	15
2020	9

<sup>3</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

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\* Excludes short-term securities.

<b>Credit Quality Allocation<sup>1</sup></b>	<b>4/30/16</b>	<b>4/30/15</b>
AAA/Aaa	8%	10%
AA/Aa	47	45
A	21	23
BBB/Baa	13	12
BB/Ba	4	3
B	1	2
N/R <sup>2</sup>	6	5

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either Standard & Poor's (S&P) or Moody's Investors Service (Moody's) if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>2</sup> The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of April 30, 2016 and April 30, 2015, the market value of unrated securities deemed by the investment advisor to be investment grade each represents 1% of the Fund's total investments.

## Fund Summary as of April 30, 2016

BlackRock MuniYield Quality Fund, Inc.

## Fund Overview

BlackRock MuniYield Quality Fund, Inc. s (MQY) (the Fund ) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests in municipal bonds which are in the three highest quality rating categories (A or better) or, if unrated, of comparable quality at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

## Fund Information

Symbol on NYSE	MQY
Initial Offering Date	June 26, 1992
Yield on Closing Market Price as of April 30, 2016 (\$16.56) <sup>1</sup>	5.54%
Tax Equivalent Yield <sup>2</sup>	9.79%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0765
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9180
Economic Leverage as of April 30, 2016 <sup>4</sup>	36%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>3</sup> The monthly distribution per Common Share, declared on June 1, 2016, was decreased to \$0.0725 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>4</sup> Represents VRDP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VRDP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

## Performance

Returns for the 12 months ended April 30, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MQY <sup>1,2</sup>	13.35%	8.61%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>3</sup>	13.64%	8.61%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

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<sup>2</sup> The Fund moved from a discount to NAV to a premium during the period, which accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

The following discussion relates to the Fund's absolute performance based on NAV:

A positive interest-rate backdrop helped fuel a robust gain for the U.S. municipal bond market during the annual period. U.S. Treasury yields fell (as prices rose) amid an environment of slow global growth, declining yields overseas, and an emerging consensus that the Fed would maintain a gradual approach to raising short-term interest rates. Municipals generally outperformed Treasuries, reflecting favorable supply-and-demand conditions in the market and the overall health of state and local finances outside of select areas such as Puerto Rico, Illinois and New Jersey. Longer-term municipal bonds outpaced their short-term counterparts, while lower-quality securities typically outperformed higher-quality issues.

Given the decline in yields, the Fund's duration exposure made a significant contribution to performance during the 12-month period. (Duration is a measure of interest-rate sensitivity.)

Income in the form of coupon payments made up a meaningful portion of the Fund's total return. In addition, the Fund's minimal cash position and use of leverage provided both incremental return and income.

The 5- to 10-year portion of the yield curve outpaced the broader market during the first half of the period, while longer-term bonds led during the second half. In this environment, the Fund benefited from its exposure to the longer end of the yield curve. The Fund's performance was also helped by its allocations to the school district and transportation sectors. In addition, the Fund was aided by its positions in bonds with wider yield spreads at a time in which investors displayed a preference for higher-yielding securities.

The Fund's positions in general obligation securities issued by the city of Chicago and the state of Illinois, which trailed the broader market due to investor concerns about budget issues and pension funding liabilities, had a negative impact on performance. Yield spreads on these issues widened significantly, especially during the first half of the reporting period, resulting in slightly lower prices for the full year.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in the market.

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



## Market Price and Net Asset Value Per Share Summary

	4/30/16	04/30/15	Change	High	Low
Market Price	\$ 16.56	\$ 15.52	6.70%	\$ 16.76	\$ 14.38
Net Asset Value	16.48				
	\$ <sup>1</sup>	\$ 16.12	2.23%	\$ 16.53	\$ 15.65

<sup>1</sup> The net asset value does not reflect adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and therefore differs from amounts reported in the Statements of Assets and Liabilities and the Financial Highlights.

## Market Price and Net Asset Value History For the Past Five Years

## Overview of the Fund's Total Investments\*

Sector Allocation	4/30/16	4/30/15
Transportation	22%	21%
County/City/Special District/School District	22	25
Utilities	17	17
State	16	16
Health	10	10
Education	6	6
Corporate	4	3
Housing	2	2
Tobacco	1	

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

Call/Maturity Schedule<sup>2</sup>

Calendar Year Ended December 31,

2016	6%
2017	9
2018	9
2019	9
2020	3

<sup>2</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

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\* Excludes short-term securities.

**Credit Quality Allocation<sup>1</sup>**

	<b>4/30/16</b>	<b>4/30/15</b>
AAA/Aaa	9%	10%
AA/Aa	57	60
A	27	25
BBB/Baa	5	4
N/R	2	1

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

## Fund Summary as of April 30, 2016

BlackRock MuniYield Quality Fund II, Inc.

## Fund Overview

BlackRock MuniYield Quality Fund II, Inc. s (MQT) (the Fund ) investment objective is to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management. The Fund seeks to achieve its investment objective by investing at least 80% of its assets in municipal bonds exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax). The Fund invests in municipal bonds which are in the three highest quality rating categories (A or better) or, if unrated, of comparable quality at the time of investment. The Fund invests primarily in long-term municipal bonds with maturities of more than ten years at the time of investment. The Fund may invest directly in such securities or synthetically through the use of derivatives.

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

## Fund Information

Symbol on NYSE	MQT
Initial Offering Date	August 28, 1992
Yield on Closing Market Price as of April 30, 2016 (\$14.33) <sup>1</sup>	5.61%
Tax Equivalent Yield <sup>2</sup>	9.91%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.067
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.804
Economic Leverage as of April 30, 2016 <sup>4</sup>	37%

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

<sup>2</sup> Tax equivalent yield assumes the maximum marginal federal tax rate of 43.4%, which includes the 3.8% Medicare tax. Actual tax rates will vary based on income, exemptions and deductions. Lower taxes will result in lower tax equivalent yields.

<sup>3</sup> The monthly distribution per Common Share, declared on June 1, 2016, was decreased to \$0.062 per share. The yield on closing market price, current monthly distribution per Common Share and current annualized distribution per Common Share do not reflect the new distribution rate. The new distribution rate is not constant and is subject to change in the future.

<sup>4</sup> Represents VMTP Shares and TOB Trusts as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to VMTP Shares and TOB Trusts, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 5.

## Performance

Returns for the 12 months ended April 30, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MQT <sup>1,2</sup>	13.42%	8.48%
Lipper General & Insured Municipal Debt Funds (Leveraged) <sup>3</sup>	13.64%	8.61%

<sup>1</sup> All returns reflect reinvestment of dividends and/or distributions.

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<sup>2</sup> The Fund's discount to NAV, which narrowed during the period, accounts for the difference between performance based on price and performance based on NAV.

<sup>3</sup> Average return.

The following discussion relates to the Fund's absolute performance based on NAV:

A positive interest-rate backdrop helped fuel a robust gain for the U.S. municipal bond market during the annual period. U.S. Treasury yields fell (as prices rose) amid an environment of slow global growth, declining yields overseas, and an emerging consensus that the Fed would maintain a gradual approach to raising short-term interest rates. Municipals generally outperformed Treasuries, reflecting favorable supply-and-demand conditions in the market and the overall health of state and local finances outside of select areas such as Puerto Rico, Illinois and New Jersey. Longer-term municipal bonds outpaced their short-term counterparts, while lower-quality securities typically outperformed higher-quality issues.

Given the decline in yields, the Fund's duration exposure made a significant contribution to performance during the 12-month period. (Duration is a measure of interest-rate sensitivity.)

Income in the form of coupon payments made up a meaningful portion of the Fund's total return. In addition, the Fund's minimal cash position and use of leverage provided both incremental return and income.

The 5- to 10-year portion of the yield curve outpaced the broader market during the first half of the period, while longer-term bonds led during the second half. In this environment, the Fund benefited from its exposure to the longer end of the yield curve. The Fund's performance was also helped by its allocations to the school district and transportation sectors. In addition, the Fund was aided by its positions in bonds with wider yield spreads at a time in which investors displayed a preference for higher-yielding securities.

The Fund's positions in general obligation securities issued by the city of Chicago and the state of Illinois, which trailed the broader market due to investor concerns about budget issues and pension funding liabilities, had a negative impact on performance. Yield spreads on these issues widened significantly, especially during the first half of the reporting period, resulting in slightly lower prices for the full year.

The Fund's use of U.S. Treasury futures contracts to manage interest rate risk had a slightly negative impact on performance due to the overall strength in the market.

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

**Market Price and Net Asset Value Per Share Summary**

	<b>4/30/16</b>	<b>4/30/15</b>	<b>Change</b>	<b>High</b>	<b>Low</b>
Market Price	\$ 14.33	\$ 13.44	6.62%	\$ 14.37	\$ 12.26
Net Asset Value	14.46				
	\$ <sup>1</sup>	\$ 14.18	1.97%	\$ 14.50	\$ 13.72

<sup>1</sup> The net asset value does not reflect adjustments made for financial reporting purposes in accordance with U.S. generally accepted accounting principles and therefore differs from amounts reported in the Statements of Assets and Liabilities and the Financial Highlights.

**Market Price and Net Asset Value History For the Past Five Years**

**Overview of the Fund's Total Investments\***

<b>Sector Allocation</b>	<b>4/30/16</b>	<b>4/30/15</b>
County/City/Special District/School District	25%	25%
Transportation	23	23
Utilities	14	14
State	13	13
Health	12	12
Education	8	9
Housing	2	2
Corporate	2	2
Tobacco	1	

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

**Call/Maturity Schedule<sup>3</sup>**

Calendar Year Ended December 31,

2016	8%
2017	8
2018	9
2019	11
2020	4

<sup>3</sup> Scheduled maturity dates and/or bonds that are subject to potential calls by issuers over the next five years.

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\* Excludes short-term securities.

<b>Credit Quality Allocation<sup>1</sup></b>	<b>4/30/16</b>	<b>4/30/15</b>
AAA/Aaa	8%	6%
AA/Aa	61	65
A	24	24
BBB/Baa	5	4
N/R <sup>2</sup>	2	1

<sup>1</sup> For financial reporting purposes, credit quality ratings shown above reflect the highest rating assigned by either S&P's or Moody's if ratings differ. These rating agencies are independent, nationally recognized statistical rating organizations and are widely used. Investment grade ratings are credit ratings of BBB/Baa or higher. Below investment grade ratings are credit ratings of BB/Ba or lower. Investments designated N/R are not rated by either rating agency. Unrated investments do not necessarily indicate low credit quality. Credit quality ratings are subject to change.

<sup>2</sup> The investment advisor evaluates the credit quality of unrated investments based upon certain factors including, but not limited to, credit ratings for similar investments and financial analysis of sectors and individual investments. Using this approach, the investment advisor has deemed certain of these unrated securities as investment grade quality. As of April 30, 2016 and April 30, 2015, the market value of unrated securities deemed by the investment advisor to be investment grade each represents 1% of the Fund's total investments.

## Schedule of Investments April 30, 2016

BlackRock MuniYield Fund, Inc. (MYD)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 2.7%</b>		
County of Jefferson Alabama, RB, Limited Obligation School, Series A, 5.50%, 1/01/22	\$ 5,250	\$ 5,281,500
County of Jefferson Alabama Sewer, Refunding RB:		
Senior Lien, Series A (AGM), 5.00%, 10/01/44	1,665	1,858,506
Senior Lien, Series A (AGM), 5.25%, 10/01/48	3,175	3,571,050
Sub-Lien, Series D, 6.00%, 10/01/42	7,410	8,692,967
		19,404,023
<b>Alaska 0.2%</b>		
Northern Tobacco Securitization Corp., Refunding RB, Tobacco Settlement, Asset-Backed, Series A, 4.63%, 6/01/23	1,265	1,272,084
<b>Arizona 2.2%</b>		
County of Maricopa Arizona IDA, RB, Arizona Charter Schools Project, Series A, 6.75%, 7/01/29	895	867,622
Salt Verde Financial Corp., RB, Senior:		
5.00%, 12/01/32	7,365	9,018,148
5.00%, 12/01/37	5,000	6,234,000