

BLACKROCK MUNIHOLDINGS CALIFORNIA QUALITY FUND, INC.

Form N-CSR

October 03, 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: 811-08573

Name of Fund: BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

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

California Quality Fund, Inc., 55 East 52nd Street, New York, NY 10055

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

Date of fiscal year end: 07/31/2016

Date of reporting period: 07/31/2016

Item 1 Report to Stockholders

JULY 31, 2016

ANNUAL REPORT

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

BlackRock MuniYield Investment Quality Fund (MFT)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

Not FDIC Insured May Lose Value No Bank Guarantee

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The Markets in Review

Dear Shareholder,

Uneven economic outlooks and the divergence of monetary policies across regions have been the overarching themes driving financial markets over the past couple of years. In the latter half of 2015, as U.S. growth outpaced other developed markets, investors were focused largely on the timing of the Federal Reserve's (the Fed's) decision to end its near-zero interest rate policy. 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.

Also during this time period, oil prices collapsed due to excess global supply. China, one of the world's largest consumers of oil, was another notable source of stress for financial markets as the country showed signs of slowing economic growth and took measures to devalue its currency. Declining confidence in the country's policymakers stoked investors' worries about the potential impact of China's weakness on the global economy. Global market volatility increased and risk assets (such as equities and high yield bonds) suffered in this environment.

The elevated market volatility spilled over into 2016, but as the first quarter wore on, fears of a global recession began to fade, 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 brought relief to U.S. exporters and emerging market economies. Oil prices rebounded as the world's largest producers agreed to reduce supply.

Volatility spiked again in late June when the United Kingdom shocked investors with its vote to leave the European Union. Uncertainty around how the British exit might affect the global economy and political landscape drove investors to high-quality assets, pushing already low global yields to even lower levels. But markets recovered swiftly in July as economic data suggested that the negative impact had thus far been contained to the United Kingdom and investors returned to risk assets.

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 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 July 31, 2016

	6-month	12-month
U.S. large cap equities (S&P 500® Index)	13.29%	5.61%
U.S. small cap equities (Russell 2000® Index)	18.76	0.00
International equities (MSCI Europe, Australasia, Far East Index)	8.25	(7.53)
	19.52	(0.75)

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Emerging market equities
(MSCI Emerging Markets Index)

3-month Treasury bills (BofA Merrill Lynch 3-Month U.S. Treasury Bill Index)	0.17	0.22
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U.S. Treasury securities (BofA Merrill Lynch 10-Year U.S. Treasury Index)	5.01	8.53
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U.S. investment grade bonds (Barclays U.S. Aggregate Bond Index)	4.54	5.94
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Tax-exempt municipal bonds (S&P Municipal Bond Index)	3.27	7.06
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U.S. high yield bonds (Barclays U.S. Corporate High Yield 2% Issuer Capped Index)	13.84	5.01
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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 July 31, 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 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. Investors favored the relative yield and stability of municipal bonds amid bouts of volatility resulting from uneven U.S. economic data, volatile oil prices, global growth concerns, geopolitical risks (particularly the U.K.'s decision to leave the European Union), 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 July 31, 2016, municipal bond funds garnered net inflows of approximately \$49 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 \$386 billion (though lower than the \$417 billion issued in the prior 12-month period). A noteworthy portion of new supply during this period was attributable to refinancing activity (roughly 59%) as issuers continued to take advantage of low interest rates and a flatter yield curve to reduce their borrowing costs.

S&P Municipal Bond Index
Total Returns as of July 31, 2016
6 months: 3.27%
12 months: 7.06%

A Closer Look at Yields

From July 31, 2015 to July 31, 2016, yields on AAA-rated 30-year municipal bonds decreased by 100 basis points (bps) from 3.12% to 2.12%, while 10-year rates fell by 79 bps from 2.19% to 1.40% and 5-year rates decreased 46 bps from 1.30% to 0.84% (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 90 bps and the spread between 2- and 10-year maturities flattening by 69 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 July 31, 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.

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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 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.

The use of leverage also generally causes greater changes in each Fund's NAV, market price 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 Fund were not leveraged. In addition, each Fund may be required to sell portfolio securities at inopportune times or at distressed values in order to comply with regulatory requirements applicable to the use of leverage or as required by the terms of leverage instruments, which may cause 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. Each Fund incurs 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 adviser 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 assets 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 adviser'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 July 31, 2016

BlackRock MuniHoldings California Quality Fund, Inc.

Fund Overview

BlackRock MuniHoldings California Quality Fund, Inc.'s (MUC) (the Fund) investment objective is to provide shareholders with current income exempt from federal and California income taxes. The Fund seeks to achieve its investment objective by investing primarily in municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and California income taxes. Under normal market conditions, the Fund invests at least 80% of its assets in investment grade municipal obligations with remaining maturities of one year or more 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)	MUC
Initial Offering Date	February 27, 1998
Yield on Closing Market Price as of July 31, 2016 (\$16.28) ¹	4.53%
Tax Equivalent Yield ²	9.23%
Current Monthly Distribution per Common Share ³	\$0.0615
Current Annualized Distribution per Common Share ³	\$0.7380
Economic Leverage as of July 31, 2016 ⁴	38%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 50.93%, 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.

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

⁴ 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 July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MUC ^{1, 2}	20.08%	10.20%
Lipper California Municipal Debt Funds ³	22.31%	11.51%

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

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² 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.

³ Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

California municipal bonds outperformed the broader national tax-exempt market as a result of the state's sound financial condition, robust employment growth and rising personal income. California municipals were also boosted by the favorable balance of supply and demand in the market, as the state's high tax burden fueled investors' appetite for tax-exempt investments.

The Fund's yield curve and duration positioning both had a positive impact on performance. (Duration is a measure of interest rate sensitivity.) Positions in the tax-backed (local), school districts, health care and utilities sectors provided the largest sector contribution to returns. Positions in zero-coupon bonds, which were purchased during the course of the period, also contributed to performance due to their longer duration profile and relatively higher yields.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance due to the strength in the Treasury market.

The use of leverage helped augment returns at a time of strong market performance. However, leverage had less of an impact in the second half of the period since the Fed's interest rate increase in December 2015 increased the costs of short-term financing. 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.

BlackRock MuniHoldings California Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$ 16.28	\$ 14.28	14.01%	\$ 16.34	\$ 14.02
Net Asset Value	\$ 16.51	\$ 15.78	4.63%	\$ 16.72	\$ 15.60

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/16	7/31/15
County/City/Special District/School District	40%	40%
Utilities	19	24
Transportation	15	12
Health	14	12
Education	5	6
State	5	6
Corporate	2	

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

Credit Quality Allocation¹

	7/31/16	7/31/15
AAA/Aaa	16%	15%
AA/Aa	73	75
A	8	10
BBB/Baa	1	
N/R	2	

¹ 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.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	1%
2017	10
2018	12
2019	15
2020	5

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2016

BlackRock MuniHoldings New Jersey Quality Fund, Inc.

Fund Overview

BlackRock MuniHoldings New Jersey Quality Fund, Inc. s (MUJ) (the Fund) investment objective is to provide shareholders with current income exempt from federal income tax and New Jersey personal income taxes. The Fund seeks to achieve its investment objective by investing primarily in long-term, investment grade municipal obligations exempt from federal income taxes (except that the interest may be subject to the federal alternative minimum tax) and New Jersey personal income taxes. Under normal market conditions, the Fund invests at least 80% of its assets in municipal obligations with remaining maturities of one year or more 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	MUJ
Initial Offering Date	March 11, 1998
Yield on Closing Market Price as of July 31, 2016 (\$16.12) ¹	5.02%
Tax Equivalent Yield ²	9.74%
Current Monthly Distribution per Common Share ³	\$0.0675
Current Annualized Distribution per Common Share ³	\$0.8100
Economic Leverage as of July 31, 2016 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 48.48%, 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.

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

⁴ 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 July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MUJ ^{1, 2}	26.20%	12.39%
Lipper New Jersey Municipal Debt Funds ³	21.92%	11.82%

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

² 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.

³ Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall). The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. New Jersey municipal bonds performed particularly well as a result of the highly favorable supply-and-demand profile in the state's market.

At a time of falling yields, the Fund's positions in longer-duration and longer-dated bonds generally provided the largest absolute returns. (Duration is a measure of interest-rate sensitivity.) The Fund's positions in the tax-backed (state and local), transportation education and health care sectors made positive contributions to performance. The Fund's exposure to lower-coupon and zero-coupon bonds, both of which outperformed, also aided returns.

Lower-rated bonds within the investment grade category outperformed during the period. In addition to offering higher incremental yield, the market segment benefited from a tightening of yield spreads that was fueled in part by investors' elevated appetite for risk. In this environment, the Fund's exposure to these higher-yielding bonds was a positive contributor to performance.

Leverage amplifies the effect of interest-rate movements, which was a positive to performance during the past 12 months given that yields declined.

The Fund utilized a mix of U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance at a time in which the Treasury market finished with positive returns.

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.

BlackRock MuniHoldings New Jersey Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$ 16.12	\$ 13.55	18.97%	\$ 16.48	\$ 13.17
Net Asset Value	\$ 16.55	\$ 15.62	5.95%	\$ 16.75	\$ 15.35

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/16	7/31/15
Transportation	24%	22%
Education	21	22
State	20	21
County/City/Special District/School District	15	15
Health	11	11
Housing	4	4
Utilities	3	3
Corporate	2	2

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

Credit Quality Allocation¹

	7/31/16	7/31/15
AAA/Aaa		8%
AA/Aa	57%	50
A	35	35
BBB/Baa	8	7

¹ 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.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	4%
2017	6
2018	8
2019	4
2020	9

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2016

BlackRock MuniYield Investment Quality Fund

Fund Overview

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

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

Fund Information

Symbol on NYSE	MFT
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2016 (\$16.09) ¹	5.30%
Tax Equivalent Yield ²	9.36%
Current Monthly Distribution per Common Share ³	\$0.071
Current Annualized Distribution per Common Share ³	\$0.852
Economic Leverage as of July 31, 2016 ⁴	37%

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

² 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.

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

⁴ 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 July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MFT ^{1, 2}	27.63%	10.31%
Lipper General & Insured Municipal Debt Funds (Leveraged) ³	21.89%	11.98%

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

² 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.

³ Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

The Fund was helped by its exposure to the long end of the yield curve, where performance was strongest. Leverage helped augment returns in this portion of the portfolio, as well. However, leverage had less of an impact in the second half of the period due to the Fed's interest rate increase in December 2015.

Holdings in AA and A rated securities, including investments in transportation and utilities sectors, aided performance. Positions in the tax-backed (state) and tax-backed (local) sectors were also additive.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance given that the Treasury market finished with positive returns.

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.

**BlackRock MuniYield Investment Quality
Fund**
Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$16.09	\$13.37	20.34%	\$ 16.17	\$ 13.08
Net Asset Value	\$15.55	\$14.95	4.01%	\$ 15.72	\$ 14.77

Market Price and Net Asset Value History For the Past Five Years
Overview of the Fund's Total Investments*

Sector Allocation	7/31/16	7/31/15
Transportation	40%	37%
Utilities	19	19
County/City/Special District/School District	15	18
Health	10	11
State	9	9
Education	3	2
Housing	2	2
Tobacco	1	
Corporate	1	2

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

Credit Quality Allocation¹	7/31/16	7/31/15
AAA/Aaa	6%	7%
AA/Aa	62	61
A	25	26
BBB/Baa	7	6

¹ 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.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	1%
2017	1
2018	10
2019	25
2020	4

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2016

BlackRock MuniYield Michigan Quality Fund, Inc.

Fund Overview

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

On April 30, 2015, the Boards of the Fund and BlackRock MuniYield Michigan Quality Fund II, Inc. (MYM) approved the reorganization of MYM with and into the Fund, with the Fund continuing as the surviving fund after the reorganization. At a special shareholder meeting on August 6, 2015, the requisite shareholders of the Fund and MYM approved the reorganization, which was effective on September 14, 2015.

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

Fund Information

Symbol on NYSE	MIY
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2016 (\$15.38) ¹	4.99%
Tax Equivalent Yield ²	9.21%
Current Monthly Distribution per Common Share ³	\$0.064
Current Annualized Distribution per Common Share ³	\$0.768
Economic Leverage as of July 31, 2016 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.81%, 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.

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

⁴ 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 July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MIY ^{1, 2}	23.28%	11.99%
Lipper Other States Municipal Debt Funds ³	20.84%	10.74%

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

² 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.

³ Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall.) The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

Michigan's municipal bond market provided a strong total return and performed in line with the major national indices. The state continued to have many areas affected by fiscal stress, highlighted by the Detroit Public School system. Overall, however, Michigan's muni market was well supported by the state's improving economy and the healthy demand for tax-exempt investments.

The Fund's duration exposure made the largest contribution to absolute performance. (Duration is a measure of interest-rate sensitivity.) The municipal yield curve flattened aggressively in the second half of the reporting period, indicating outperformance for longer-term bonds. In this environment, the Fund's exposure to the long end of the curve benefited performance. Additionally, the Fund's return was helped by its allocation to the education and utilities sectors. The use of leverage helped augment returns at a time of strong market performance.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance due to the strength in the Treasury 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.

BlackRock MuniYield Michigan Quality Fund, Inc.

Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$15.38	\$13.22	16.34%	\$ 15.65	\$ 12.95
Net Asset Value	\$16.36	\$15.48	5.68%	\$ 16.57	\$ 15.26

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/16	7/31/15
Health	25%	21%
Education	23	22
County/City/Special District/School District	19	16
Utilities	10	10
State	9	14
Transportation	7	9
Housing	4	5
Corporate	3	3

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

Credit Quality Allocation ¹	7/31/16	7/31/15
AAA/Aaa	3%	1%
AA/Aa	69	73
A	26	23
BBB/Baa	1	2
N/R	1	1

¹ 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.

Call/Maturity Schedule²

Calendar Year Ended December 31,

2016	3%
2017	7
2018	12
2019	5
2020	5

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

* Excludes short-term securities.

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Fund Summary as of July 31, 2016

BlackRock MuniYield Pennsylvania Quality Fund

Fund Overview

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

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

Fund Information

Symbol on NYSE	MPA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of July 31, 2016 (\$16.07) ¹	4.65%
Tax Equivalent Yield ²	8.48%
Current Monthly Distribution per Common Share ³	\$0.0623
Current Annualized Distribution per Common Share ³	\$0.7476
Economic Leverage as of July 31, 2016 ⁴	37%

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

² Tax equivalent yield assumes the maximum marginal federal and state tax rate of 45.14%, 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.

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

⁴ 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 July 31, 2016 were as follows:

	Returns Based On	
	Market Price	NAV
MPA ^{1, 2}	25.87%	12.38%
Lipper Pennsylvania Municipal Debt Funds ³	24.15%	10.52%

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

² 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.

³ Average return.

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

Municipal bonds generated strong performance in the annual period. Municipals were aided by the sharp decline in Treasury yields, which was brought about by the slow global economy and the accommodative policies of the world's central banks. (Bond prices rise as yields fall). The gains were largely concentrated among intermediate- and longer-term bonds, while shorter-term issues produced much smaller returns. In addition, lower-rated securities generally outpaced their higher-quality counterparts.

Yield spreads widened in Pennsylvania's municipal bond market after the commonwealth went without a budget for nine months into its 2016 fiscal year. However, a further budget battle was avoided when Governor Tom Wolf signed a \$31.5 billion budget for fiscal 2017. The rating agency Standard & Poor's subsequently removed the commonwealth from credit watch status and affirmed its AA-minus rating. These developments led to a recovery in Pennsylvania's bond market in the latter part of the period.

The Fund's allocations to the health care and transportation sectors provided the largest contribution to returns. Positions in zero-coupon bonds also contributed to performance due to their longer duration profile and relatively higher yields. (Duration is a measure of interest-rate sensitivity.)

The use of leverage helped augment returns at a time of strong market performance. However, leverage had less of an impact in the second half of the period since the Fed's interest rate increase in December 2015 increased the costs of short-term financing.

The Fund utilized U.S. Treasury futures contracts to manage exposure to a rise in interest rates, which had a slightly negative impact on performance due to the strength in the Treasury 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.

BlackRock MuniYield Pennsylvania Quality Fund

Market Price and Net Asset Value Per Share Summary

	7/31/16	7/31/15	Change	High	Low
Market Price	\$16.07	\$13.50	19.04%	\$ 16.23	\$ 13.33
Net Asset Value	\$16.76	\$15.77	6.28%	\$ 16.97	\$ 15.58

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

Overview of the Fund's Total Investments*

Sector Allocation	7/31/16	7/31/15
Education	20%	15%
Health	20	20
County/City/Special District/School District	20	19
State	13	14
Transportation	12	12
Housing	7	5
Utilities	6	7
Corporate	2	8

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

Credit Quality Allocation ¹	7/31/16	7/31/15
AAA/Aaa	1%	1%
AA/Aa	62	65
A	23	23
BBB/Baa	6	9
BB/Ba	2	
N/R ²	6	2

¹ 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.

² The investment adviser 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 adviser has deemed certain of these unrated securities as investment grade quality. As of July 31, 2016 and July 31, 2015, the market value of unrated securities deemed by the investment adviser to be investment grade represents 2% and 1%, respectively, of the Fund's total investments.

Call/Maturity Schedule³

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Calendar Year Ended December 31,

2016	2%
2017	5
2018	10
2019	11
2020	7

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

* Excludes short-term securities.

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Schedule of Investments July 31, 2016

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par (000)	Value
Municipal Bonds		
California 104.4%		
Corporate 2.6%		
California Pollution Control Financing Authority, Refunding RB, Waste Management, Inc., AMT:		
Series A-1, 3.38%, 7/01/25	\$ 5,000	\$ 5,448,550
Series B-1, 3.00%, 11/01/25	9,000	9,531,630
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	2,435	2,760,730
		17,740,910
County/City/Special District/School District 34.1%		
Centinela Valley Union High School District, GO, Election of 2010, Series A, 5.75%, 8/01/21 (a)	9,120	11,313,815
Chabot-Las Positas Community College District, GO, Refunding, 4.00%, 8/01/35	5,000	5,679,250
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	3,500	3,959,200
County of Los Angeles Public Works Financing Authority, Refunding RB, Series D: 4.00%, 12/01/40	1,000	1,108,390
5.00%, 12/01/45	1,430	1,744,714
County of Orange California Sanitation District, COP, Series A, 5.00%, 2/01/19 (a)	2,500	2,773,700
County of Riverside California Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/45	10,000	12,361,800
County of San Joaquin California Transportation Authority, Refunding RB, Limited Tax, Measure K, Series A, 6.00%, 3/01/36	2,665	3,250,927
County of Ventura California Community College District, GO, Election of 2002, Series C, 5.50%, 8/01/18 (a)	4,000	4,395,920
Culver City Redevelopment Finance Authority California, Refunding, Tax Allocation Bonds, Series A (AGM), 5.60%, 11/01/25	3,750	3,765,600
Denair CA Unified School District, GO, Election of 2007, 0.00%, 8/01/41 (b)	4,260	1,780,212
Fremont Union High School District, GO, Refunding, 4.00%, 8/01/40	2,500	2,793,625
Garden Grove Unified School District, GO, Election of 2010, Series C, 5.25%, 8/01/40	5,500	6,707,250
Gavilan Joint Community College District, GO, Election of 2004, Series D: 5.50%, 8/01/31	2,170	2,582,061
5.75%, 8/01/35	8,400	10,073,448
Golden Empire Schools Financing Authority, Refunding RB, Kern High School District Projects, 0.94%, 5/01/17 (c)	5,000	4,998,600
Grossmont California Healthcare District, GO, Election of 2006, Series B, 6.13%, 7/15/21 (a)	2,000	2,514,600
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (continued)		
Imperial Irrigation District, Series A, Electric System Revenue, 5.13%, 11/01/18 (a)	\$ 8,000	\$ 8,814,160
Kern Community College District, GO, Safety Repair & Improvements, Series C: 5.25%, 11/01/32	5,715	7,129,577
5.75%, 11/01/34	12,085	15,518,469
Los Alamitos Unified School District, GO, Refunding, School Facilities Improvement, Series E, 5.25%, 8/01/39	3,700	4,514,851
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	12,660,560
Merced Union High School District, GO, CAB, Refunding (AGM) (b): 0.00%, 8/01/40	3,800	1,371,002
0.00%, 8/01/42	4,125	1,334,974
Mount San Jacinto Community College District, GO, Series A, 5.00%, 8/01/35	3,565	4,409,263
Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35	10,000	11,421,000
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	5,441,150
Rio Elementary School District, GO, Series A, 5.25%, 8/01/40	5,865	7,216,824
Riverside Community College District Foundation, GO, Election of 2004 (a): Series C (AGM), 5.00%, 8/01/17	8,750	9,150,663

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Series C (NPFGC), 5.00%, 8/01/17	8,910	9,317,989
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/19 (a)	905	1,015,075
San Diego Unified School District, GO, CAB, Series C (b):		
0.00%, 7/01/47	1,000	360,590
Election of 2008, 0.00%, 7/01/42	3,605	1,555,053
Election of 2008, 0.00%, 7/01/43	1,310	545,602
Election of 2008, 0.00%, 7/01/45	1,575	611,163
San Jose California Financing Authority, LRB, Convention Center Expansion & Renovation Project, Series A:		
5.75%, 5/01/36	2,560	2,571,366
5.75%, 5/01/42	4,500	5,371,515
San Jose California Financing Authority, Refunding LRB, Civic Center Project, Series A, 5.00%, 6/01/39	5,800	6,902,754
San Marcos Redevelopment Agency Successor Agency, Refunding, Tax Allocation Bonds, Series A:		
5.00%, 10/01/32	1,700	2,101,319
5.00%, 10/01/33	1,125	1,386,371

Portfolio Abbreviations

AGC	Assured Guarantee Corp.	ERB	Education Revenue Bonds	RB	Revenue Bonds
AGM	Assured Guaranty Municipal Corp.	GAB	Grant Anticipation Bonds	S/F	Single-Family
AMBAC	American Municipal Bond Assurance Corp.	GARB	General Airport Revenue Bonds	AMT	Alternative Minimum Tax (subject to)
AMT	Alternative Minimum Tax (subject to)	GO	General Obligation Bonds	ARB	Airport Revenue Bonds
ARB	Airport Revenue Bonds	HDA	Housing Development Authority	BAM	Build America Mutual Assurance Co.
BAM	Build America Mutual Assurance Co.	HFA	Housing Finance Agency	CAB	Capital Appreciation Bonds
BARB	Building Aid Revenue Bonds	IDA	Industrial Development Authority	GO	General Obligation Bonds
BHAC	Berkshire Hathaway Assurance Corp.	IDB	Industrial Development Board	HFA	Housing Finance Agency
CAB	Capital Appreciation Bonds	ISD	Independent School District	IDA	Industrial Development Authority
COP	Certificates of Participation	LRB	Lease Revenue Bonds	M/F	Multi-Family
DFA	Development Finance Agency	M/F	Multi-Family	NPFGC	National Public Finance Guarantee Corp.
EDA	Economic Development Authority	NPFGC	National Public Finance Guarantee Corp.	RB	Revenue Bonds
EDC	Economic Development Corp.	Q-SBLF	Qualified School Bond Loan Fund		

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
County/City/Special District/School District (continued)		
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/19 (a)	\$ 5,635	\$ 6,516,709
Sweetwater Union High School District, GO, Refunding, 4.00%, 8/01/42	5,000	5,568,350
West Contra Costa California Unified School District, GO:		
Election of 2010, Series A (AGM), 5.25%, 8/01/41	5,390	6,429,138
Election of 2010, Series B, 5.50%, 8/01/39	3,195	3,957,934
Election of 2012, Series A, 5.50%, 8/01/39	2,500	3,096,975
Yuba Community College District, GO, Election of 2006, Series C, 0.00%, 8/01/38 (b)	5,150	2,622,741
		230,716,249
Education 2.6%		
California Municipal Finance Authority, RB, Emerson College, 6.00%, 1/01/42	2,750	3,318,810
University of California, Refunding RB:		
Series AO, 5.00%, 5/15/40	5,430	6,644,365
Series AR, 5.00%, 5/15/41	2,360	2,941,669
Series AR, 5.00%, 5/15/46	3,600	4,480,092
		17,384,936
Health 13.9%		
ABAG Finance Authority for Nonprofit Corps., Refunding RB, Sharp Healthcare, Series B, 6.25%, 8/01/39	6,305	7,313,232
California Health Facilities Financing Authority, RB:		
Children's Hospital, Series A, 5.25%, 11/01/41	8,000	9,351,680
Providence Health Services, Series B, 5.50%, 10/01/39	4,130	4,717,162
Sutter Health, Series A, 5.00%, 11/15/41	2,275	2,788,445
Sutter Health, Series A, 5.25%, 11/15/46	7,500	7,607,550
Sutter Health, Series B, 6.00%, 8/15/42	9,655	11,551,049
California Health Facilities Financing Authority, Refunding RB:		
Dignity Health, Series A, 6.00%, 7/01/34	3,700	4,245,306
Lucile Salter Packard Children's Hospital at Stanford, Series B, 5.00%, 8/15/55	4,500	5,462,100
Providence Health and Services, Series A, 5.00%, 10/01/38	10,970	13,146,777
St. Joseph Health System, Series A, 5.00%, 7/01/37	10,000	11,887,500
California Statewide Communities Development Authority, Refunding RB:		
CHF Irvine LLC, 5.00%, 5/15/40	750	907,620
John Muir Health, Series A, 4.00%, 8/15/51	3,375	3,661,774
Kaiser Permanente, Series C, 5.25%, 8/01/31	2,500	2,500,675
Trinity Health Credit Group Composite Issue, 5.00%, 12/01/41	6,235	7,242,701
Washington Township Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/38	1,625	2,026,099
		94,409,670
State 7.4%		
State of California, GO:		
Refunding, Veterans Bond, 4.00%, 12/01/40	4,000	4,500,280
Various Purposes, 6.00%, 3/01/33	5,000	5,900,450
Various Purposes, 6.00%, 4/01/38	27,765	31,524,936
State of California Public Works Board, LRB:		
Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	4,226,959
Various Capital Projects, Series I, 5.50%, 11/01/33	2,015	2,540,230
	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
State (continued)		
State of California Public Works Board, RB, California State Prisons, Series C, 5.75%, 10/01/31	\$ 1,205	\$ 1,482,536
		50,175,391

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Transportation 21.2%		
Alameda Corridor Transportation Authority, Refunding RB, Series B:		
2nd Subordinate Lien, 5.00%, 10/01/36	2,035	2,473,074
2nd Subordinate Lien, 5.00%, 10/01/37	1,395	1,693,907
4.00%, 10/01/37	1,125	1,245,847
City & County of San Francisco California Airports Commission, ARB, Series E, 6.00%, 5/01/39	9,650	11,034,775
City & County of San Francisco California Airports Commission, Refunding ARB, AMT:		
2nd Series 34E (AGM), 5.75%, 5/01/24	5,000	5,442,500
2nd Series 34E (AGM), 5.75%, 5/01/22	4,950	5,392,629
2nd Series A, 5.00%, 5/01/29	6,435	7,622,965
City of Los Angeles California Department of Airports, ARB:		
AMT, Senior Series A, 5.00%, 5/15/40	3,830	4,551,649
AMT, Series D, 5.00%, 5/15/35	2,000	2,401,220
AMT, Series D, 5.00%, 5/15/36	1,500	1,795,665
Los Angeles International Airport, Senior Series D, 5.25%, 5/15/29	2,590	3,007,249
City of Los Angeles California Department of Airports, Refunding ARB, Los Angeles International Airport, Series A:		
5.25%, 5/15/39	5,845	6,547,920
Senior, 5.00%, 5/15/40	5,000	5,698,500
City of San Jose California, Refunding ARB, Series A-1, AMT:		
5.25%, 3/01/23	3,785	4,412,515
6.25%, 3/01/34	1,400	1,688,526
City of San Jose California, Refunding RB, Series A (AMBAC), 5.00%, 3/01/37	8,000	8,192,080
County of Orange California, ARB, Series B, 5.75%, 7/01/34	6,345	6,650,765
County of Sacramento California, ARB:		
Senior Series A (AGC), 5.50%, 7/01/41	8,200	8,937,836
Senior Series B, 5.75%, 7/01/39	2,650	2,896,768
Senior Series B, AMT (AGM), 5.75%, 7/01/28	13,275	14,527,231
Senior Series B, AMT (AGM), 5.25%, 7/01/33	18,000	19,479,780
Senior Series B, AMT (AGM), 5.25%, 7/01/39	4,995	5,361,883
County of San Bernardino California Transportation Authority, RB, Series A, 5.25%, 3/01/40	4,545	5,572,988
Port of Los Angeles California Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	6,253,656
Port of Los Angeles California Harbor Department, Refunding RB, Series A, AMT, 5.00%, 8/01/44	500	591,775
		143,473,703
Utilities 22.6%		
Anaheim Public Financing Authority, RB, Electric System Distribution Facilities, Series A, 5.38%, 10/01/36		
	2,200	2,600,708
City of Los Angeles California Department of Water & Power, RB, Series A:		
5.38%, 7/01/38	9,375	10,406,625
5.00%, 7/01/41	1,705	2,110,858
City of Los Angeles California Department of Water & Power, Refunding RB, Series A:		
5.25%, 7/01/39	16,000	18,714,880
5.00%, 7/01/46	2,845	3,508,596
City of Los Angeles California Wastewater System, Refunding RB, Sub-Series A, 5.00%, 6/01/28	2,000	2,305,160

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

	Par	
	(000)	Value
Municipal Bonds		
California (continued)		
Utilities (continued)		
City of San Francisco California Public Utilities Commission Water Revenue, RB:		
Series A, 5.00%, 11/01/39	\$ 5,245	\$ 6,399,267
Series B, 5.00%, 11/01/30	10,000	11,349,800
County of Kern California Water Agency Improvement District No. 4, Refunding RB, Series A (AGM):		
4.00%, 5/01/35	1,460	1,647,158
4.00%, 5/01/36	1,430	1,605,418
County of Sacramento California Sanitation Districts Financing Authority, RB (NPFGC), 5.00%, 12/01/36	1,010	1,013,899
Dublin-San Ramon Services District Water Revenue, Refunding RB, 6.00%, 8/01/41	4,000	4,786,520
East Bay California Municipal Utility District Wastewater System Revenue, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/17 (a)	17,015	17,665,313
East Bay California Municipal Utility District Water System Revenue, Refunding RB (a): Series A (NPFGC), 5.00%, 6/01/17	6,670	6,924,928
Sub-Series A (AGM), 5.00%, 6/01/17	10,000	10,382,200
Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33	2,505	2,714,067
El Dorado Irrigation District / El Dorado County Water Agency, Refunding RB, Series A (AGM), 5.25%, 3/01/39	10,000	12,191,100
San Diego Public Facilities Financing Authority Sewer, Refunding RB, Senior Series A, 5.25%, 5/15/19 (a)	11,060	12,477,228
San Diego Public Facilities Financing Authority Water, Refunding RB, Series B, 5.50%, 8/01/19 (a)	8,000	9,153,360
San Juan Water District, Refunding RB, San Juan & Citrus Heights, 5.25%, 2/01/33	7,325	8,764,143
Santa Clara Valley Water District, Refunding RB, Series A, 5.00%, 6/01/46	5,000	6,185,450
		152,906,678
Total Municipal Bonds 104.4%		706,807,537

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

California 57.2%		
County/City/Special District/School District 31.0%		
County of Alameda California Joint Powers Authority, Refunding LRB (AGM), 5.00%, 12/01/34	13,180	13,937,586
County of San Luis Obispo Community College District, GO, Refunding, Election of 2014, Series A, 4.00%, 8/01/40	6,585	7,320,936
County of San Mateo California Community College District, GO, Series A, 5.00%, 9/01/45	17,615	21,674,009
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/17 (a)	16,530	17,285,090
Foothill-De Anza Community College District, GO, Series C, 5.00%, 8/01/40	40,000	46,762,000
Los Angeles Community College District California, GO (a):		
Election of 2001, Series A (NPFGC), 5.00%, 8/01/17	6,647	6,951,099
Election of 2001, Series E-1, 5.00%, 8/01/18	11,770	12,812,822
Election of 2003, Series F-1, 5.00%, 8/01/18	10,000	10,886,000
Los Angeles Community College District California, GO, Refunding, Election of 2008, Series A, 6.00%, 8/01/33 (a)	9,596	11,128,042

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

	(000)	Value
California (continued)		
County/City/Special District/School District (continued)		
Palomar California Community College District, GO, Election of 2006, Series C, 5.00%, 8/01/44	\$ 15,140	\$ 18,516,826
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30	10,000	10,002,600
Southwestern Community College District, GO, Election of 2008, Series D, 5.00%, 8/01/44	10,820	13,223,447
	17,000	19,383,230

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West Valley-Mission Community College District, GO, Election of 2012, Series B,
4.00%, 8/01/40

209,883,687

Education 5.7%

California State University, Refunding RB, Series A, 5.00%, 11/01/43

6,001

7,383,717

University of California, RB:

Series AM, 5.25%, 5/15/44

10,210

12,626,809

Series O, 5.75%, 5/15/19 (a)

11,192

12,785,694

University of California, Refunding RB, Series AF, 5.00%, 5/15/39

5,000

6,018,800

38,815,020

Health 9.3%

California Health Facilities Financing Authority, RB, Sutter Health, Series A, 5.00%, 8/15/52

14,520

17,097,010

California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series A,
5.00%, 8/15/43

19,425

23,491,345

California Statewide Communities Development Authority, RB, Kaiser Permanente, Series A,
5.00%, 4/01/42

19,070

22,256,406

62,844,761

Transportation 3.3%

City of Los Angeles California Department of Airports, RB, Senior Revenue, Series A, AMT,
5.00%, 5/15/40

5,500

6,536,310

City of Los Angeles California Department of Airports, Series D, AMT, 5.00%, 5/15/41

13,331

15,843,372

22,379,682

Utilities 7.9%

City of Los Angeles California Wastewater System, RB, Green Bonds, Series A,
5.00%, 6/01/44

13,790

16,913,021

County of San Diego California Water Authority Financing Corp., COP, Refunding, Series A
(AGM), 5.00%, 5/01/18 (a)

16,740

18,041,535

East Bay California Municipal Utility District Water System Revenue, RB, Series C,
5.00%, 6/01/44

11,000

13,409,660

Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34

5,008

5,443,440

53,807,656

Total Municipal Bonds Transferred to

Tender Option Bond Trusts 57.2%

387,730,806

Total Long-Term Investments

(Cost \$999,853,396) 161.6%

1,094,538,343

Total Investments (Cost \$999,853,396) 161.6%

1,094,538,343

Other Assets Less Liabilities 1.0%

6,518,856

Liability for TOB Trust Certificates, Including Interest

Expense and Fees Payable (25.1)%

(169,929,470)

VMTP Shares at Liquidation Value (37.5)%

(254,000,000)

Net Assets Applicable to Common Shares 100.0%

\$ 677,127,729

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Notes to Schedule of Investments

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) Variable rate security. Rate as of period end.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
Affiliates					
BlackRock Liquidity Funds, MuniCash, Institutional Class					\$ 2,298
BIF California Municipal Money Fund	505,447	(505,447)			9
Total					\$ 2,307

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts	Issue	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
Short				
(61)	5-Year U.S. Treasury Note	September 2016	\$ 7,442,953	\$ 2,320
(111)	10-Year U.S. Treasury Note	September 2016	\$ 14,768,203	(16,779)
(41)	Long U.S. Treasury Bond	September 2016	\$ 7,151,938	(78,992)
(14)	Ultra U.S. Treasury Bond	September 2016	\$ 2,667,437	(30,675)
Total				\$ (124,126)

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency	Interest Rate	Other Contracts	Total
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		Exchange Contracts	Contracts
Assets Derivative Financial Instruments			
Futures contracts	Net unrealized appreciation ¹	\$ 2,320	\$ 2,320

Liabilities Derivative Financial Instruments			
Futures contracts	Net unrealized depreciation ¹	\$ 126,446	\$ 126,446

¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (1,364,663)		\$ (1,364,663)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (70,234)		\$ (70,234)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts	short \$ 24,534,750

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long Term Investments ¹		\$ 1,094,538,343		\$ 1,094,538,343
Derivative Financial Instruments ²				
Assets:				
Interest rate contracts	\$ 2,320			\$ 2,320
Liabilities:				
Interest rate contracts	(126,446)			(126,446)
Total	\$ (124,126)			\$ (124,126)

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

² Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash pledged for futures contracts	\$ 423,500			\$ 423,500
Liabilities:				
Bank overdraft		\$ (1,145,882)		(1,145,882)
TOB Trust Certificates		(169,698,729)		(169,698,729)
VMTP Shares		(254,000,000)		(254,000,000)
Total	\$ 423,500	\$ (424,844,611)		\$ (424,421,111)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments July 31, 2016

BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
New Jersey 132.6%		
Corporate 2.6%		
New Jersey EDA, Refunding RB:		
New Jersey American Water Co., Inc. Project, AMT, Series A, 5.70%, 10/01/39	\$ 7,500	\$ 8,498,100
New Jersey American Water Co., Inc. Project, AMT, Series B, 5.60%, 11/01/34	3,150	3,569,139
United Water of New Jersey, Inc., Series B (AMBAC), 4.50%, 11/01/25	1,000	1,056,500
		13,123,739
County/City/Special District/School District 19.8%		
Borough of Edgewater New Jersey Board of Education, GO, Refunding, (AGM):		
4.25%, 3/01/34	1,535	1,664,554
4.25%, 3/01/35	1,600	1,733,296
4.30%, 3/01/36	1,670	1,809,362
Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33	2,000	2,000,460
Casino Reinvestment Development Authority, Refunding RB:		
5.25%, 11/01/39	11,130	11,873,484
5.25%, 11/01/44	3,755	3,989,725
City of Bayonne New Jersey, GO, Refunding, Qualified General Improvement (BAM), 5.00%, 7/01/39	3,340	4,027,272
City of Perth Amboy New Jersey, GO, CAB, Refunding (AGM):		
5.00%, 7/01/17 (a)	4,540	4,729,453
5.00%, 7/01/32	2,210	2,272,919
5.00%, 7/01/33	670	689,202
5.00%, 7/01/35	595	611,333
5.00%, 7/01/37	705	723,499
County of Essex New Jersey Improvement Authority, Refunding RB, Project Consolidation (NPFGC):		
5.50%, 10/01/27	250	339,003
5.50%, 10/01/28	4,840	6,639,948
County of Hudson New Jersey, COP, Refunding, (NPFGC), 6.25%, 12/01/16	600	611,052
County of Hudson New Jersey Improvement Authority, RB:		
CAB, Series A-1 (NPFGC), 0.00%, 12/15/32 (b)	1,000	650,810
County Secured, County Services Building Project (AGM), 5.00%, 4/01/17 (a)	1,000	1,030,190
Harrison Parking Facility Project, Series C (AGC), 5.25%, 1/01/39	3,000	3,295,980
Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44	5,000	5,472,900
County of Middlesex New Jersey Improvement Authority, RB, Senior Citizens Housing Project, AMT (AMBAC), 5.50%, 9/01/30	500	501,895
County of Monmouth New Jersey Improvement Authority, Refunding RB, Governmental Loan (AMBAC):		
5.00%, 12/01/17	5	5,016
5.35%, 12/01/17	5	5,020
5.00%, 12/01/18	5	5,015
5.38%, 12/01/18	5	5,020
5.00%, 12/01/19	5	5,015
County of Union New Jersey, GO, Refunding:		
4.00%, 3/01/21 (a)	225	256,399
4.00%, 3/01/29	3,575	3,890,815
4.00%, 3/01/30	3,580	3,880,935
4.00%, 3/01/31	4,045	4,372,119
	Par	
	(000)	Value
Municipal Bonds		
New Jersey (continued)		
County/City/Special District/School District (continued)		
County of Union New Jersey Utilities Authority, Refunding RB, Series A:		
Resources Recovery Facility, Covanta Union, Inc., AMT, 5.25%, 12/01/31	\$ 650	\$ 732,908
Solid Waste System, County Deficiency Agreement, 5.00%, 6/15/41	7,570	8,627,832
Morristown New Jersey Parking Authority, RB (NPFGC):		

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5.00%, 8/01/30	1,830	1,905,707
5.00%, 8/01/33	3,000	3,124,830
New Jersey Sports & Exposition Authority, Refunding RB (NPFGC) (c):		
5.50%, 3/01/21	7,430	8,974,325
5.50%, 3/01/22	4,200	5,234,376
Newark New Jersey Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC),		
4.38%, 1/01/37	1,720	1,729,236
Township of Irvington New Jersey, GO, Refunding Series A (AGM), 5.00%, 7/15/33	1,175	1,404,583
		98,825,488
Education 31.4%		
County of Gloucester New Jersey Improvement Authority, RB, Rowan University General Capital Improvement Projects:		
5.00%, 7/01/44	1,985	2,300,436
Series A, 5.00%, 7/01/31	1,950	2,335,944
Series A, 5.00%, 7/01/32	1,775	2,118,480
Series A, 5.00%, 7/01/33	2,250	2,675,520
Series A, 5.00%, 7/01/34	1,200	1,426,944
New Jersey EDA, LRB, Rutgers The State University of New Jersey, College Avenue Redevelopment Project, 5.00%, 6/15/33	3,065	3,668,253
New Jersey EDA, RB, Provident Group Rowan Properties LLC, Series A:		
5.00%, 1/01/35	2,000	2,276,560
5.00%, 1/01/48	2,000	2,252,880
New Jersey Educational Facilities Authority, RB:		
Higher Educational Capital Improvement Fund, Series A, 5.00%, 9/01/33	6,370	7,075,796
Richard Stockton College, Series F (NPFGC), 5.00%, 7/01/31	2,625	2,630,591
New Jersey Educational Facilities Authority, Refunding RB:		
City of New Jersey University Issue, Series D, 4.00%, 7/01/34	320	349,434
City of New Jersey University Issue, Series D, 4.00%, 7/01/35	745	810,515
College of New Jersey, Series D (AGM), 5.00%, 7/01/18 (a)	3,000	3,252,480
College of New Jersey, Series D (AGM), 5.00%, 7/01/35	10,260	11,048,584
Montclair State University Issue, Series B, 5.00%, 7/01/34	1,075	1,325,798
Montclair State University, Series A, 5.00%, 7/01/39	15,555	18,395,188
Montclair State University, Series A, 5.00%, 7/01/44	3,540	4,172,421
New Jersey Institute of Technology, Series H, 5.00%, 7/01/31	4,000	4,525,600
Ramapo College, Series I (AMBAC), 4.25%, 7/01/31	2,500	2,542,125
Rowan University, Series B (AGC), 5.00%, 7/01/18 (a)	2,575	2,792,768
Seton Hall University, Series D, 5.00%, 7/01/38	500	583,835

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

	Par	
	(000)	Value
Municipal Bonds		
New Jersey (continued)		
Education (continued)		
New Jersey Educational Facilities Authority, Refunding RB (continued):		
Seton Hall University, Series D, 5.00%, 7/01/43	\$ 600	\$ 697,278
Stevens Institute of Technology, Series A, 5.00%, 7/01/27	2,800	2,882,600
Stevens Institute of Technology, Series A, 5.00%, 7/01/34	2,400	2,479,656
Stockton University, Series A, 5.00%, 7/01/41	2,370	2,803,141
William Paterson University, Series C (AGC), 5.00%, 7/01/28	250	268,890
William Paterson University, Series C (AGC), 4.75%, 7/01/34	5,115	5,469,623
New Jersey Higher Education Student Assistance Authority, RB, Senior Student Loan, Series 1A, AMT:		
4.00%, 12/01/28	1,500	1,608,030
4.50%, 12/01/28	3,625	4,008,598
4.00%, 12/01/29	6,715	7,183,086
4.50%, 12/01/29	4,545	5,035,996
4.63%, 12/01/30	4,430	4,907,288
4.00%, 12/01/31	1,625	1,724,873
4.25%, 12/01/32	2,050	2,196,657
4.13%, 12/01/35	1,000	1,056,180
4.50%, 12/01/36	1,805	1,953,642
New Jersey Higher Education Student Assistance Authority, Refunding RB, Series 1, AMT:		
5.38%, 12/01/24	1,210	1,382,594
5.50%, 12/01/26	1,450	1,650,028
New Jersey Institute of Technology, RB, Series A:		
5.00%, 7/01/42	6,945	8,200,864
5.00%, 7/01/45	7,500	8,794,575
Rutgers The State University of New Jersey, Refunding RB, Series L:		
5.00%, 5/01/30	1,565	1,884,385
5.00%, 5/01/43	10,000	11,789,700
		156,537,836
Health 16.1%		
County of Camden New Jersey Improvement Authority, Refunding RB, Cooper Healthcare System, Series A, 5.00%, 2/15/33	2,000	2,338,820
New Jersey Health Care Facilities Financing Authority, RB:		
Meridian Health System Obligated Group, Series I (AGC), 5.00%, 7/01/38	1,390	1,485,660
Meridian Health System Obligated Group, Series II (AGC), 5.00%, 7/01/38	6,865	7,364,635
Meridian Health System Obligated Group, Series V (AGC), 5.00%, 7/01/38	4,625	4,961,607
Robert Wood Johnson University Hospital, Series A, 5.50%, 7/01/43	7,105	8,557,191
Virtua Health, Series A (AGC), 5.50%, 7/01/38	4,035	4,540,424
New Jersey Health Care Facilities Financing Authority, Refunding RB:		
AHS Hospital Corp., 5.50%, 7/01/31	4,055	4,839,886
AHS Hospital Corp., 6.00%, 7/01/41	4,180	5,078,115
Catholic Health East Issue, 5.00%, 11/15/33	1,925	2,203,933
Hackensack University Medical Center (AGC), 5.13%, 1/01/27	1,500	1,586,490
Hackensack University Medical Center (AGM), 4.63%, 1/01/30	7,795	8,456,328
Meridian Health System Obligated Group, 5.00%, 7/01/25	1,000	1,193,880
Meridian Health System Obligated Group, 5.00%, 7/01/26	3,720	4,419,211
	Par	
	(000)	Value
Municipal Bonds		
New Jersey (continued)		
Health (continued)		
New Jersey Health Care Facilities Financing Authority, Refunding RB (continued):		
Princeton Healthcare System, 5.00%, 7/01/34	\$ 1,330	\$ 1,632,362
Princeton Healthcare System, 5.00%, 7/01/39	1,825	2,205,859
St. Barnabas Health Care System, Series A, 5.00%, 7/01/24	3,640	4,224,475
St. Barnabas Health Care System, Series A, 5.63%, 7/01/32	4,450	5,280,592
St. Barnabas Health Care System, Series A, 5.63%, 7/01/37	4,860	5,704,279

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Virtua Health, 5.00%, 7/01/28	3,000	3,597,300
Virtua Health, 5.00%, 7/01/29	715	851,665
		80,522,712
Housing 6.5%		
New Jersey Housing & Mortgage Finance Agency, RB:		
Capital Fund Program, Series A (AGM), 5.00%, 5/01/27	6,770	7,065,172
M/F Housing, Series A, 4.55%, 11/01/43	4,710	5,022,179
M/F Housing, Series A, AMT (NPFGC), 4.85%, 11/01/39	1,335	1,348,670
S/F Housing, Series AA, 6.50%, 10/01/38	310	320,856
S/F Housing, Series B, 4.50%, 10/01/30	9,455	10,294,982
New Jersey Housing & Mortgage Finance Agency, Refunding RB, AMT:		
M/F Housing, Series 2, 4.60%, 11/01/38	3,120	3,365,731
M/F Housing, Series 2, 4.75%, 11/01/46	3,795	4,085,773
S/F Housing, Series T, 4.70%, 10/01/37	655	661,413
		32,164,776
State 25.2%		
Garden State Preservation Trust, RB, CAB, Series B (AGM) (b):		
0.00%, 11/01/23	15,725	13,587,972
0.00%, 11/01/25	10,000	8,170,500
Garden State Preservation Trust, Refunding RB, Series C (AGM):		
5.25%, 11/01/20	5,000	5,835,250
5.25%, 11/01/21	7,705	9,192,604
New Jersey EDA, RB:		
CAB, Motor Vehicle Surcharge, Series A (NPFGC), 0.00%, 7/01/21 (b)	2,325	2,105,474
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24	1,785	2,135,788
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	5,000	6,053,450
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/26	7,500	9,154,875
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33	18,105	18,303,069
School Facilities Construction (AGC), 6.00%, 12/15/18 (a)	3,960	4,458,287
School Facilities Construction (AGC), 6.00%, 12/15/34	40	44,772
School Facilities Construction, Series KK, 5.00%, 3/01/38	325	355,056
School Facilities Construction, Series U, 5.00%, 9/01/17 (a)	2,810	2,947,971
School Facilities Construction, Series U (AMBAC), 5.00%, 9/01/17 (a)	1,070	1,122,537
School Facilities Construction, Series Y, 5.00%, 9/01/18 (a)	1,000	1,090,320
Series WW, 5.25%, 6/15/33	380	432,843
Series WW, 5.00%, 6/15/34	5,500	6,142,455
Series WW, 5.00%, 6/15/36	3,115	3,468,802

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

	Par	
	(000)	Value
Municipal Bonds		
New Jersey (continued)		
State (continued)		
New Jersey EDA, RB (continued):		
Series WW, 5.25%, 6/15/40	\$ 8,375	\$ 9,505,290
New Jersey EDA, Refunding RB:		
Cigarette Tax, 5.00%, 6/15/24	5,000	5,629,450
Cigarette Tax, 5.00%, 6/15/26	1,250	1,394,588
Cigarette Tax, 5.00%, 6/15/28	2,430	2,689,159
Cigarette Tax, 5.00%, 6/15/29	3,195	3,524,564
School Facilities Construction, Series N-1 (NPFGC), 5.50%, 9/01/27	1,000	1,257,630
School Facilities Construction, Series NN, 5.00%, 3/01/29	5,000	5,538,050
State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27	1,580	1,729,373
		125,870,129
Transportation 25.9%		
Delaware River Port Authority, RB:		
5.00%, 1/01/29	2,000	2,436,560
5.00%, 1/01/37	8,830	10,501,077
Series D, 5.05%, 1/01/35	1,430	1,615,071
Series D (AGM), 5.00%, 1/01/40	5,200	5,867,992
New Brunswick New Jersey Parking Authority, Refunding RB, City Guaranteed, Series A (BAM), 5.00%, 9/01/39	1,520	1,861,529
New Jersey EDA, RB, The Goethals Bridge Replacement Project, Private Activity Bond, AMT: 5.13%, 1/01/34	2,290	2,667,896
5.38%, 1/01/43	7,730	8,993,546
New Jersey State Turnpike Authority, RB:		
Growth & Income Securities, Series B (AMBAC), 5.15%, 1/01/17 (a)	8,620	8,790,676
Series E, 5.00%, 1/01/45	8,000	9,503,600
New Jersey State Turnpike Authority, Refunding RB:		
Series A (AGM), 5.25%, 1/01/29	4,000	5,413,080
Series A (AGM), 5.25%, 1/01/30	4,000	5,455,800
Series A (BHAC), 5.25%, 1/01/29	500	677,950
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series A, 0.00%, 12/15/35 (b)	6,000	2,666,100
CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/36 (b)	7,210	3,223,302
CAB, Transportation System, Series C (AGM), 0.00%, 12/15/32 (b)	8,800	4,858,568
CAB, Transportation System, Series C (AMBAC), 0.00%, 12/15/35 (b)	4,160	1,949,459
Transportation Program, Series AA, 5.00%, 6/15/33	3,000	3,287,130
Transportation Program, Series AA, 5.25%, 6/15/33	5,690	6,374,962
Transportation Program, Series AA, 5.25%, 6/15/34	1,305	1,480,549
Transportation Program, Series AA, 5.00%, 6/15/38	2,340	2,596,768
Transportation System, Series A, 6.00%, 6/15/35	6,365	7,397,721
Transportation System, Series A (AGC), 5.63%, 12/15/28	2,780	3,097,504
Transportation System, Series A (NPFGC), 5.75%, 6/15/24	1,205	1,483,777
Transportation System, Series B, 5.25%, 6/15/36	2,500	2,765,350
Transportation System, Series D, 5.00%, 6/15/32	3,300	3,720,453
Port Authority of New York & New Jersey, ARB:		
Consolidated, 93rd Series, 6.13%, 6/01/94	1,000	1,302,110
	Par	
	(000)	Value
Municipal Bonds		
New Jersey (continued)		
Transportation (continued)		
Port Authority of New York & New Jersey, ARB (continued):		
Special Project, JFK International Air Terminal LLC Project, Series 6, AMT (NPFGC), 5.75%, 12/01/25	\$ 3,000	\$ 3,059,910
Special Project, JFK International Air Terminal LLC Project, Series 8, 6.00%, 12/01/42	4,000	4,705,400
Port Authority of New York & New Jersey, Refunding ARB, AMT: 178th Series, 5.00%, 12/01/33	4,005	4,737,194

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Consolidated, 152nd Series, 5.75%, 11/01/30	6,000	6,506,400
		128,997,434
Utilities 5.1%		
County of Essex New Jersey Utilities Authority, Refunding RB, (AGC), 4.13%, 4/01/22	2,000	2,153,380
North Hudson New Jersey Sewerage Authority, Refunding RB, Series A (NPFGC), 5.13%, 8/01/20 (c)	6,045	7,070,957
Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC) (b):		
0.00%, 9/01/26	4,100	3,218,664
0.00%, 9/01/28	6,600	4,852,782
0.00%, 9/01/29	9,650	6,866,650
0.00%, 9/01/33	2,350	1,491,052
		25,653,485
Total Municipal Bonds in New Jersey		661,695,599
Puerto Rico 1.3%		
Health 1.3%		
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority, RB, Hospital De La Concepcion, Series A:		
6.50%, 11/15/20	1,750	1,784,265
6.13%, 11/15/30	4,220	4,468,474
Total Municipal Bonds in Puerto Rico		6,252,739
Total Municipal Bonds 133.9%		667,948,338
Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
New Jersey 20.8%		
County/City/Special District/School District 3.9%		
County of Union New Jersey Utilities Authority, Refunding LRB, Resource Recovery Facility, Covanta Union, Inc., Series A, AMT, 5.25%, 12/01/31	17,300	19,506,615
Education 1.1%		
Rutgers The State University of New Jersey, RB, Series F, 5.00%, 5/01/19 (a)	4,998	5,586,440
State 4.8%		
Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28	12,460	16,290,827
New Jersey EDA, Refunding RB, Series NN, School Facilities Construction, 5.00%, 3/01/29 (e)	6,698	7,418,959
		23,709,786

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

	Par	
	(000)	Value
Municipal Bonds Transferred to Tender Option Bond Trusts (d)		
New Jersey (continued)		
Transportation 11.0%		
County of Hudson New Jersey Improvement Authority, RB, Hudson County Vocational-Technical Schools Project, 5.25%, 5/01/51	\$ 3,120	\$ 3,858,566
New Jersey State Turnpike Authority, RB, Series A, 5.00%, 1/01/38 (e)	9,300	10,901,832
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (e)	2,661	2,943,006
Port Authority of New York & New Jersey, ARB, Consolidated, 163rd Series, AMT, 5.00%, 7/15/39	15,545	17,759,002
Port Authority of New York & New Jersey, RB, Consolidated, 169th Series, AMT, 5.00%, 10/15/41	10,000	11,260,900
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35	7,827	8,381,924
		55,105,230
Total Municipal Bonds Transferred to Tender Option Bond Trusts 20.8%		103,908,071
Total Long-Term Investments (Cost \$692,687,905) 154.7%		771,856,409
Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, MuniCash, Institutional Class 0.26% (f)(g)	15,571,111	\$ 15,571,111
Total Short-Term Securities		
(Cost \$15,571,111) 3.1%		15,571,111
Total Investments (Cost \$708,259,016) 157.8%		787,427,520
Other Assets Less Liabilities 0.7%		3,360,842
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (11.1)%		(55,140,286)
VRDP Shares at Liquidation Value, Net of Deferred Offering Costs (47.4)%		(236,589,782)
Net Assets Applicable to Common Shares 100.0%		\$ 499,058,294

Notes to Schedule of Investments

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Zero-coupon bond.
- (c) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (e) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire between June 15, 2019 and September 1, 2020, is \$13,915,845. See Note 4 of the Notes to Financial Statements for details.
- (f)

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During the year ended July 31, 2016, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
Affiliates					
BlackRock Liquidity Funds, MuniCash, Institutional Class		15,571,111	15,571,111	\$ 15,571,111	\$ 3,616
BIF New Jersey Municipal Money Fund	11,186,598	(11,186,598)			611
Total				\$ 15,571,111	\$ 4,227

(g) Current yield as of period end.

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts Short	Issue	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
(47)	5-Year U.S. Treasury Note	September 2016	\$ 5,734,734	\$ 1,816
(177)	10-Year U.S. Treasury Note	September 2016	\$ 23,549,297	(116,558)
(55)	Long U.S. Treasury Bond	September 2016	\$ 9,594,063	(286,562)
(5)	Ultra U.S. Treasury Bond	September 2016	\$ 952,656	(19,172)
Total				\$ (420,476)

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets Derivative Financial Instruments							
Futures contracts					\$ 1,816		\$ 1,816
Net unrealized appreciation ¹							

Liabilities Derivative Financial Instruments

Futures contracts					\$ 422,292		\$ 422,292
Net unrealized depreciation ¹							

¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (1,521,864)		\$ (1,521,864)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (263,796)		\$ (263,796)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:							
Average notional value of contracts						short	\$ 28,274,916

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long Term Investments ¹		\$ 771,856,409		\$ 771,856,409
Short Term Securities	\$ 15,571,111			15,571,111

Total	\$ 15,571,111	\$ 771,856,409	\$ 787,427,520
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Derivative Financial Instruments²

Assets:

Interest rate contracts	\$ 1,816	\$ 1,816
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Liabilities:

Interest rate contracts	(422,292)	(422,292)
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Total	\$ (420,476)	\$ (420,476)
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¹ See above Schedule of Investments for values in each sector and political subdivision.

² Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 1,766			\$ 1,766
Cash pledged for futures contracts	511,000			511,000
Liabilities:				
TOB Trust Certificates		\$ (55,088,706)		(55,088,706)
VRDP Shares at Liquidation Value		(237,100,000)		(237,100,000)
Total	\$ 512,766	\$ (292,188,706)		\$ (291,675,940)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments July 31, 2016

BlackRock MuniYield Investment Quality Fund (MFT)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Alabama 4.2%		
City of Birmingham Alabama Special Care Facilities Financing Authority, RB, Children's Hospital (AGC) (a):		
6.00%, 6/01/19	\$ 2,985	\$ 3,421,288
6.13%, 6/01/19	1,500	1,724,505
City of Selma Alabama IDB, RB, Gulf Opportunity Zone, International Paper Co. Project, Series A, 5.38%, 12/01/35	350	393,099
		5,538,892
California 21.1%		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38	1,960	2,149,336
California Health Facilities Financing Authority, RB, Sutter Health, Series B, 6.00%, 8/15/42	1,150	1,375,837
City & County of San Francisco California Airports Commission, Refunding ARB, AMT, Series A:		
5.00%, 5/01/44	745	868,111
2nd, 5.50%, 5/01/28	720	881,885
2nd, 5.25%, 5/01/33	560	663,953
City of San Jose California, Refunding ARB, Series A-1, AMT:		
5.50%, 3/01/30	1,600	1,876,832
6.25%, 3/01/34	1,250	1,507,613
County of Sacramento California, ARB, Senior Series A (AGC), 5.50%, 7/01/41	1,400	1,525,972
Kern Community College District, GO, Safety, Repair & Improvement, Series C, 5.50%, 11/01/33	970	1,225,867
Los Angeles Community College District California, GO, Election of 2001, Series A (NPFGC), 5.00%, 8/01/17 (a)	1,780	1,861,310
Redondo Beach Unified School District, GO, Election of 2008, Series E, 5.50%, 8/01/21 (a)	1,000	1,228,320
Riverside County Public Financing Authority, RB, Capital Facilities Project, 5.25%, 11/01/40	2,000	2,477,980
San Diego Public Facilities Financing Authority Water, Refunding RB, Series B (AGC), 5.38%, 8/01/19 (a)	1,020	1,163,269
State of California, GO, Various Purposes (AGC), 5.50%, 11/01/39	3,450	3,949,594
State of California Public Works Board, LRB, Various Capital Projects, Series I, 5.50%, 11/01/31	1,000	1,260,660
State of California Public Works Board, RB, Department of Corrections & Rehabilitation, Series F, 5.25%, 9/01/33	490	605,331
Township of Washington California Health Care District, GO, Election of 2004, Series B, 5.50%, 8/01/40	370	460,713
University of California, Refunding RB, Regents of the University of California Medical Center Pooled Revenue, Series J, 5.25%, 5/15/38	2,235	2,717,693
		27,800,276
Colorado 2.0%		
City & County of Denver Colorado Airport System, ARB, Series A, AMT:		
5.50%, 11/15/28	500	606,025
5.50%, 11/15/30	225	271,431
5.50%, 11/15/31	270	324,891
Colorado Health Facilities Authority, RB, Hospital, NCMC, Inc. Project, Series B (AGM), 6.00%, 5/15/19 (a)	1,300	1,490,333
		2,692,680
	Par	
	(000)	Value
Municipal Bonds		
Florida 12.3%		
City of Jacksonville Florida, Refunding RB, Series A, 5.25%, 10/01/33	\$ 270	\$ 333,021
County of Broward Florida Airport System Revenue, ARB, Series A, AMT, 5.00%, 10/01/45	575	677,189
County of Hillsborough Florida Aviation Authority, Refunding ARB, Tampa International Airport, Series A, AMT, 5.50%, 10/01/29	1,170	1,410,201
County of Lee Florida, Refunding ARB, Series A, AMT, 5.38%, 10/01/32	1,000	1,160,920

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County of Lee Florida HFA, RB, S/F Housing, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	125	127,686
County of Manatee Florida HFA, RB, S/F Housing, Series A, AMT (Ginnie Mae, Fannie Mae & Freddie Mac), 5.90%, 9/01/40	85	86,350
County of Miami-Dade Florida, RB, Seaport:		
Series A, 6.00%, 10/01/38	1,840	2,305,667
Series A, 5.50%, 10/01/42	2,125	2,561,262
Series B, AMT, 6.00%, 10/01/26	590	746,037
Series B, AMT, 6.00%, 10/01/27	775	976,423
Series B, AMT, 6.25%, 10/01/38	310	394,522
Series B, AMT, 6.00%, 10/01/42	410	504,579
County of Miami-Dade Florida, Refunding RB:		
Seaport, Series D, AMT, 6.00%, 10/01/26	735	929,385
Water & Sewer System, Series B, 5.25%, 10/01/29	500	615,945
County of Miami-Dade Florida Aviation Revenue, Refunding ARB, Series A, AMT, 5.00%, 10/01/31	2,165	2,530,712
Reedy Creek Improvement District, GO, Series A, 5.25%, 6/01/32	710	862,352
		16,222,251
Hawaii 1.9%		
State of Hawaii, Department of Transportation, COP, AMT:		
5.25%, 8/01/25	250	303,322
5.25%, 8/01/26	810	981,639
State of Hawaii, Department of Transportation, RB, Series A, AMT, 5.00%, 7/01/45	1,000	1,173,470
		2,458,431
Illinois 19.6%		
City of Chicago Illinois, GARB, O Hare International Airport, 3rd Lien, Series A, 5.75%, 1/01/39	770	902,656
City of Chicago Illinois Midway International Airport, Refunding GARB, 2nd Lien, Series A, 5.00%, 1/01/41	1,010	1,155,046
City of Chicago Illinois O Hare International Airport, GARB, 3rd Lien, Series C, 6.50%, 1/01/41	3,680	4,478,486
City of Chicago Illinois Transit Authority, RB:		
Federal Transit Administration, Section 5309, Series A (AGC), 6.00%, 12/01/18 (a)	1,400	1,573,684
Sales Tax Receipts, 5.25%, 12/01/36	1,000	1,114,370
City of Chicago Illinois Transit Authority, Refunding RB, Federal Transit Administration, Section 5309 (AGM), 5.00%, 6/01/28	3,000	3,262,110
City of Chicago Illinois Wastewater Transmission, RB, 2nd Lien, 5.00%, 1/01/42	1,375	1,514,535
County of Cook Illinois Community College District No. 508, GO, City College of Chicago:		
5.50%, 12/01/38	1,500	1,748,535
5.25%, 12/01/43	2,700	3,095,469
Illinois Finance Authority, RB, Carle Foundation, Series A, 6.00%, 8/15/41	1,555	1,867,741
Illinois Finance Authority, Refunding RB, Presence Health Network, Series C, 4.00%, 2/15/41 (b)	525	526,339

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

	Par	Value
	(000)	
Municipal Bonds		
Illinois (continued)		
Railsplitter Tobacco Settlement Authority, RB:		
5.50%, 6/01/23	\$ 940	\$ 1,107,273
6.00%, 6/01/28	270	323,773
State of Illinois, GO:		
5.25%, 2/01/32	1,000	1,111,150
5.50%, 7/01/33	1,500	1,686,885
5.50%, 7/01/38	280	311,968
		25,780,020
Indiana 4.0%		
Indiana Finance Authority, RB, Private Activity Bond, Ohio River Bridges, Series A, AMT,		
5.00%, 7/01/40	375	425,318
Indianapolis Local Public Improvement Bond Bank, Refunding RB, Waterworks Project, Series A (AGC), 5.50%, 1/01/38	4,310	4,817,071
		5,242,389
Louisiana 2.0%		
City of New Orleans Louisiana Aviation Board, Refunding GARB, Restructuring (AGC):		
Series A-1, 6.00%, 1/01/23	375	419,467
Series A-2, 6.00%, 1/01/23	160	178,565
Lake Charles Harbor & Terminal District, RB, Series B, AMT (AGM), 5.50%, 1/01/29	1,000	1,221,000
Tobacco Settlement Financing Corp., Refunding RB, Asset-Backed, Series A, 5.50%, 5/15/29	805	887,537
		2,706,569
Massachusetts 2.0%		
Massachusetts DFA, Refunding RB, Emmanuel College Issue, Series A, 4.00%, 10/01/46	860	904,789
Massachusetts HFA, Refunding RB, Series C, AMT, 5.35%, 12/01/42	1,575	1,671,374
		2,576,163
Michigan 2.6%		
City of Detroit Michigan Water Supply System, RB, 2nd Lien, Series B (AGM), 6.25%, 7/01/36	1,800	2,026,440
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, Series V, 8.25%, 9/01/18 (a)	1,265	1,465,857
		3,492,297
Minnesota 2.5%		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC):		
6.50%, 11/15/18 (a)	460	521,378
6.50%, 11/15/38	2,540	2,842,565
		3,363,943
Mississippi 1.5%		
Mississippi Development Bank, RB, Jackson Water & Sewer System Project (AGM), 6.88%, 12/01/40	1,190	1,614,628
Mississippi State University Educational Building Corp., Refunding RB, Mississippi State University Improvement Project, 5.25%, 8/01/38	260	317,834
		1,932,462
Nevada 4.1%		
County of Clark Nevada, ARB, Las Vegas-McCarran International Airport, Series A (AGM), 5.25%, 7/01/39	2,375	2,670,141
County of Clark Nevada, GO, Limited Tax, 5.00%, 6/01/38	1,000	1,073,690
County of Clark Nevada Water Reclamation District, GO, Series A, 5.25%, 7/01/34	1,500	1,689,390
		5,433,221
Municipal Bonds	Par	Value

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	(000)	
New Jersey 5.8%		
New Jersey EDA, RB:		
Goethals Bridge Replacement Project, Private Activity Bond, AMT, 5.38%, 1/01/43	\$ 1,000	\$ 1,163,460
Goethals Bridge Replacement Project, Private Activity Bond, AMT (AGM), 5.00%, 1/01/31	530	618,070
School Facilities Construction (AGC), 6.00%, 12/15/18 (a)	980	1,103,313
School Facilities Construction (AGC), 6.00%, 12/15/34	20	22,386
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health, Series A (AGC), 5.50%, 7/01/38	1,400	1,575,364
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
Series A, 5.50%, 6/15/41	1,195	1,332,449
Series AA, 5.50%, 6/15/39	1,600	1,810,736
		7,625,778
New York 5.3%		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, Series FF-2, 5.50%, 6/15/40	1,545	1,750,176
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-4 (AGC), 5.50%, 1/15/29	2,000	2,235,780
Port Authority of New York & New Jersey, Refunding ARB, Consolidated, 166th Series, 5.25%, 7/15/36	2,500	2,937,150
		6,923,106
Ohio 1.4%		
State of Ohio Turnpike Commission, RB, Junior Lien, Infrastructure Projects, Series A-1, 5.25%, 2/15/31	1,500	1,831,590
Pennsylvania 2.9%		
County of Westmoreland Pennsylvania Municipal Authority, Refunding RB (BAM), 5.00%, 8/15/38 (b)	535	635,082
Pennsylvania Turnpike Commission, RB:		
Series B, 5.00%, 12/01/45	1,000	1,192,340
Sub-Series A, 6.00%, 12/01/16 (a)	2,000	2,037,740
		3,865,162
South Carolina 8.9%		
County of Charleston South Carolina, RB, Special Source, 5.25%, 12/01/38	1,470	1,811,481
County of Charleston South Carolina Airport District, ARB, Series A, AMT:		
5.50%, 7/01/26	1,810	2,210,426
6.00%, 7/01/38	1,155	1,398,209
5.50%, 7/01/41	1,000	1,177,760
South Carolina Ports Authority, RB, AMT, 5.25%, 7/01/50	750	879,300
South Carolina State Public Service Authority, Refunding RB:		
Series C, 5.00%, 12/01/46	2,535	2,996,725
Series E, 5.25%, 12/01/55	1,000	1,209,210
		11,683,111
Texas 19.9%		
Austin Community College District Public Facility Corp., RB, Educational Facilities Project, Round Rock Campus, 5.25%, 8/01/18 (a)	2,250	2,458,485
City of Beaumont Texas, GO, Certificates of Obligation, 5.25%, 3/01/37	930	1,125,281
City of Frisco Texas ISD, GO, School Building (AGC), 5.50%, 8/15/41	1,210	1,372,636

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

	Par	
	(000)	Value
Municipal Bonds		
Texas (continued)		
City of Houston Texas Combined Utility System Revenue, Refunding RB, Combined 1st Lien, Series A (AGC):		
5.38%, 5/15/19 (a)	\$ 950	\$ 1,073,253
6.00%, 5/15/19 (a)	1,945	2,230,934
6.00%, 5/15/19 (a)	2,560	2,936,346
6.00%, 11/15/35	140	160,989
6.00%, 11/15/36	110	126,491
5.38%, 11/15/38	50	55,861
County of Tarrant Texas Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC):		
6.50%, 1/01/19 (a)	265	301,162
6.50%, 7/01/37	835	936,703
Dallas Area Rapid Transit, Refunding RB, Series A, 5.00%, 12/01/48	945	1,145,038
Dallas-Fort Worth International Airport, ARB, Joint Improvement, Series H, AMT, 5.00%, 11/01/37	980	1,114,926
Dallas-Fort Worth International Airport, Refunding ARB, Joint Revenue, Series E, AMT, 5.50%, 11/01/27	2,500	3,103,675
Lower Colorado River Authority, Refunding RB, 5.50%, 5/15/33	730	893,622
North Texas Tollway Authority, RB, Special Projects, Series A, 5.50%, 9/01/41	2,750	3,285,975
North Texas Tollway Authority, Refunding RB, 1st Tier: (AGM), 6.00%, 1/01/43	1,000	1,188,060
Series K-1 (AGC), 5.75%, 1/01/19 (a)	1,400	1,570,590
Red River Education Financing Corp., RB, Texas Christian University Project, 5.25%, 3/15/38	420	508,679
Texas Private Activity Bond Surface Transportation Corp., RB, Senior Lien, AMT, Blueridge Transportation Group, 5.00%, 12/31/50	540	628,517
		26,217,223
Virginia 1.2%		
City of Lexington Virginia IDA, RB, Washington & Lee University, 5.00%, 1/01/43	380	443,829
Virginia Public School Authority, RB, Fluvanna County School Financing, 6.50%, 12/01/18 (a)	1,000	1,137,190
		1,581,019
Washington 1.5%		
City of Seattle Washington Municipal Light & Power, Refunding RB, Series A, 5.25%, 2/01/36	1,000	1,169,760
State of Washington, GO, Various Purposes, Series B, 5.25%, 2/01/36	725	853,289
		2,023,049
Wisconsin 0.7%		
Wisconsin Health & Educational Facilities Authority, Refunding RB, Medical College of Wisconsin, Inc., 4.00%, 12/01/46	800	873,840
Total Municipal Bonds 127.4%		167,863,472
Municipal Bonds Transferred to Tender Option Bond Trusts (c)		
Connecticut 1.1%		
Connecticut State Health & Educational Facility Authority, Refunding RB, Trinity Health Credit Group, 5.00%, 12/01/45	1,216	1,467,277
	Par	
Municipal Bonds Transferred to Tender Option Bond Trusts (c)	(000)	Value
District of Columbia 0.7%		
District of Columbia Water & Sewer Authority, Refunding RB, Senior Lien, Series A, 6.00%, 10/01/18 (a)(d)	\$ 759	\$ 847,330
Florida 2.1%		
County of Hillsborough Florida Aviation Authority, ARB, Tampa International Airport, Series A, AMT (AGC), 5.50%, 10/01/38	2,499	2,721,190

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Kentucky 0.8%		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	1,002	1,108,029
Nevada 7.2%		
County of Clark Nevada Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/18 (a)	2,010	2,218,336
Series B, 5.50%, 7/01/29	1,994	2,256,507
Las Vegas Valley Water District, GO, Refunding, Series C, 5.00%, 6/01/28	4,200	4,934,202
		9,409,045
New Jersey 2.1%		
New Jersey Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,610	1,713,737
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series B, 5.25%, 6/15/36 (d)	1,000	1,106,393
		2,820,130
New York 14.7%		
City of New York New York Municipal Water Finance Authority, Refunding RB, Water & Sewer System, 2nd General Resolution:		
Series BB, 5.25%, 6/15/44	2,999	3,603,730
Series FF-2, 5.50%, 6/15/40	1,095	1,240,416
City of New York New York Transitional Finance Authority, BARB, Fiscal 2009, Series S-3, 5.25%, 1/15/39	1,000	1,103,520
Hudson Yards Infrastructure Corp., RB, Fiscal 2012, Series A, 5.75%, 2/15/47 (d)	1,000	1,182,292
Metropolitan Transportation Authority, Refunding RB, Series C-1, 5.25%, 11/15/56	2,360	2,913,521
New York Liberty Development Corp., RB, 1 World Trade Center Port Authority Consolidated Bonds, 5.25%, 12/15/43	3,000	3,611,686
New York Liberty Development Corp., Refunding RB, 4 World Trade Center Project, 5.75%, 11/15/51 (d)	1,770	2,141,531
New York State Dormitory Authority, ERB, Personal Income Tax, Series B, 5.25%, 3/15/38	3,250	3,623,685
		19,420,381
Texas 2.2%		
City of San Antonio Texas Public Service Board, Refunding RB, Series A, 5.25%, 2/01/19 (a)(d)	2,609	2,907,443
Utah 0.8%		
City of Riverton Utah, RB, IHC Health Services, Inc., 5.00%, 8/15/41	1,005	1,105,522
Total Municipal Bonds Transferred to		
Tender Option Bond Trusts 31.7%		41,806,347
Total Long-Term Investments		
(Cost \$185,797,218) 159.1%		209,669,819

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Investment Quality Fund (MFT)

Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.26% (e)(f)	204,010	\$ 204,010
Total Short-Term Securities		
(Cost \$204,010) 0.2%		204,010
Total Investments (Cost \$186,001,228) 159.3%		209,873,829
Other Assets Less Liabilities 0.3%		338,923
Liability for TOB Trust Certificates, Including Interest		
Expense and Fees Payable (16.7)%		(21,973,382)
VMTP Shares at Liquidation Value (42.9)%		(56,500,000)
Net Assets Applicable to Common Shares 100.0%		\$ 131,739,370

Notes to Schedule of Investments

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) When-issued security.
- (c) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (d) All or a portion of security is subject to a recourse agreement. The aggregate maximum potential amount the Fund could ultimately be required to pay under the agreements, which expire between October 1, 2016 to November 15, 2019, is \$4,627,650. See Note 4 of the Notes to Financial Statements for details.
- (e) During the year ended July 31, 2016, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliates	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
BlackRock Liquidity Funds, MuniCash, Institutional Class		204,010	\$ 204,010	\$ 204,010	\$ 748
FFI Institutional Tax-Exempt Fund	2,437,027	(2,437,027)			141
Total				\$ 204,010	\$ 889

- (f) Current yield as of period end.

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts Short	Issue	Expiration	Notional Value	Unrealized Appreciation
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				(Depreciation)
(15)	5-Year U.S. Treasury Note	September 2016	\$ 1,830,234	\$ 2,631
(25)	10-Year U.S. Treasury Note	September 2016	\$ 3,326,172	(2,963)
(9)	Long U.S. Treasury Bond	September 2016	\$ 1,569,938	(21,141)
(1)	Ultra U.S. Treasury Bond	September 2016	\$ 190,531	627
Total				\$ (20,846)

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

		Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Assets Derivative Financial Instruments								
Futures contracts	Net unrealized appreciation ¹					\$ 3,258		\$ 3,258
Liabilities Derivative Financial Instruments								
Futures contracts	Net unrealized depreciation ¹					\$ 24,104		\$ 24,104

¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield Investment Quality Fund (MFT)

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (430,779)		\$ (430,779)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (6,180)		\$ (6,180)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts short	\$ 6,677,094
For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.	

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 209,669,819		\$ 209,669,819
Short-Term Securities	\$ 204,010			204,010
Total	\$ 204,010	\$ 209,669,819		\$ 209,873,829
Derivative Financial Instruments²				
Assets:				
Interest rate contracts	\$ 3,258			\$ 3,258
Liabilities:				
Interest rate contracts	(24,104)			(24,104)
Total	\$ (20,846)			\$ (20,846)

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

² Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

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	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 504			\$ 504
Cash pledged for futures contracts	86,550			86,550
Liabilities:				
TOB Trust Certificates		\$ (21,953,285)		(21,953,285)
VMTP Shares		(56,500,000)		(56,500,000)
Total	\$ 87,054	\$ (78,453,285)		\$ (78,366,231)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments July 31, 2016

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Michigan 134.4%		
Corporate 4.0%		
County of Monroe Michigan EDC, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22	\$ 14,500	\$ 19,071,850
County/City/Special District/School District 24.9%		
Anchor Bay School District, GO, Refunding (Q-SBLF):		
4.38%, 5/01/27	1,600	1,801,488
4.50%, 5/01/29	1,505	1,694,284
Battle Creek School District Michigan, GO, Refunding (Q-SBLF):		
5.00%, 5/01/35	1,100	1,319,846
5.00%, 5/01/36	1,500	1,791,255
5.00%, 5/01/37	1,170	1,394,968
Berkley School District, GO, School Building & Site (Q-SBLF), 5.00%, 5/01/35	2,965	3,541,959
Charter Township of Canton Michigan, GO, Capital Improvement (AGM) (a):		
5.00%, 4/01/17	3,090	3,183,164
5.00%, 4/01/17	3,250	3,347,987
5.00%, 4/01/17	1,000	1,030,150
Columbia Michigan School District, GO, Unlimited Tax, School Building & Site (Q-SBLF), 5.00%, 5/01/38	5,185	6,088,901
Comstock Park Michigan Public Schools, GO, School Building & Site, Series B (Q-SBLF):		
5.50%, 5/01/36	1,200	1,407,852
5.50%, 5/01/41	2,185	2,563,464
County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19	1,000	1,011,370
Dearborn Brownfield Redevelopment Authority, GO, Limited Tax, Redevelopment, Series A (AGC), 5.50%, 5/01/39	5,300	5,889,890
Dearborn School District, GO, School Building & Site, Series A (Q-SBLF):		
5.00%, 5/01/32	1,500	1,789,065
5.00%, 5/01/33	1,600	1,900,048
5.00%, 5/01/34	1,200	1,419,732
Dowagiac Union School District, GO (Q-SBLF), 5.00%, 5/01/41	1,140	1,372,195
Farmington Public School District, GO, Refunding, School Building & Site (AGM):		
5.00%, 5/01/33	1,500	1,815,495
5.00%, 5/01/34	1,500	1,814,175
5.00%, 5/01/35	1,000	1,204,180
Flint EDC, RB, Michigan Department of Human Services Office Building Project, 5.25%, 10/01/41	4,950	5,555,335
Goodrich Area School District Michigan, GO, School Building & Site (Q-SBLF):		
5.50%, 5/01/32	1,000	1,173,740
5.50%, 5/01/36	2,000	2,346,420
5.50%, 5/01/41	2,575	3,021,016
Grandville Public Schools, GO, School Building & Site, Series II (AGM), 5.00%, 5/01/40	3,250	3,848,747
Hudsonville Public Schools, GO, School Building & Site (Q-SBLF), 5.25%, 5/01/41	6,750	7,869,217
Kentwood Public Schools, GO, School Building & Site:		
5.00%, 5/01/41	1,120	1,354,550
5.00%, 5/01/44	1,815	2,189,870
Livonia Public Schools School District Michigan, GO, Series I (AGM), 5.00%, 5/01/43	5,000	5,792,550
Mattawan Consolidated School District, GO, Series I (Q-SBLF), 5.00%, 5/01/39	3,375	4,005,484

Par

	(000)	Value
Municipal Bonds		
Michigan (continued)		
County/City/Special District/School District (continued)		
Portage Public Schools, GO, Refunding School Building & Site:		
5.00%, 11/01/34	\$ 1,000	\$ 1,218,100
5.00%, 11/01/36	1,000	1,211,340
5.00%, 11/01/37	1,250	1,511,775
5.00%, 11/01/35	1,340	1,627,082
Rockford Public Schools, GO, Refunding School Building & Site (Q-SBLF):		

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5.00%, 5/01/35	1,000	1,214,240
5.00%, 5/01/37	1,240	1,499,681
5.00%, 5/01/38	1,025	1,237,688
5.00%, 5/01/39	1,025	1,235,730
5.00%, 5/01/40	1,025	1,234,746
5.00%, 5/01/41	1,025	1,233,772
5.00%, 5/01/44	2,250	2,706,120
Romeo Community School District, GO, Refunding School Building & Site, Series 1 (Q-SBLF), 5.00%, 5/01/41	2,250	2,693,273
Thornapple Kellogg School District Michigan, GO, Refunding, School Building & Site (NPFGC) (Q-SBLF), 5.00%, 5/01/17 (a)	3,000	3,101,880
Township of Montrose Michigan Community Schools, GO (NPFGC) (Q-SBLF), 6.20%, 5/01/17	210	216,951
Troy School District, GO, School Building & Site (Q-SBLF), 5.00%, 5/01/28	2,000	2,416,820
Walled Lake Consolidated School District, GO, School Building & Site (Q-SBLF):		
5.00%, 5/01/37	2,850	3,346,840
5.00%, 5/01/40	2,630	3,080,861
5.00%, 5/01/43	1,530	1,786,749
Zeeland Public Schools, GO, School Building & Site, Series A (AGM):		
5.00%, 5/01/33	1,000	1,195,460
5.00%, 5/01/34	1,000	1,191,130
5.00%, 5/01/35	1,000	1,185,090

120,683,725

Education 24.4%

City of Grand Rapids Michigan, EDC, RB, Ferris State University Project, Series A, 5.50%, 10/01/35	760	870,458
Ferris State University, Refunding RB, General (AGM):		
4.50%, 10/01/24	1,595	1,719,936
4.50%, 10/01/25	1,405	1,515,054
Grand Valley State University, RB (NPFGC), 5.50%, 2/01/18	765	790,574
Michigan Finance Authority, Refunding RB:		
College for Creative Studies, 4.00%, 12/01/33	1,720	1,796,712
College for Creative Studies, 5.00%, 12/01/36	1,550	1,721,508
College for Creative Studies, 5.00%, 12/01/40	2,900	3,204,935
College for Creative Studies, 5.00%, 12/01/45	4,400	4,841,628
Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/28	8,750	9,296,612
Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/29	5,900	6,250,106
Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/30	2,850	3,009,971
Series 25 A, AMT, Student Loan Revenue, 4.00%, 11/01/31	3,150	3,317,296

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

	Par	
	(000)	Value
Municipal Bonds		
Michigan (continued)		
Education (continued)		
Michigan State University, Refunding RB, General, Series C:		
5.00%, 2/15/40	\$ 8,470	\$ 9,507,151
5.00%, 2/15/44	1,000	1,122,450
Michigan Technological University, RB, General, Series A, 5.00%, 10/01/45	1,800	2,132,694
Oakland University, RB, General:		
5.00%, 3/01/32	400	464,756
5.00%, 3/01/47	2,500	2,982,600
Series A, 5.00%, 3/01/38	5,490	6,450,036
Series A, 5.00%, 3/01/43	16,845	19,700,396
University of Michigan, RB, Series A, 5.00%, 4/01/39	3,425	4,136,133
University of Michigan, Refunding RB, 5.00%, 4/01/46	10,000	12,417,400
Wayne State University, RB, General, Series A, 5.00%, 11/15/40	3,000	3,519,000
Western Michigan University, Refunding RB, General, University and College Improvements:		
5.25%, 11/15/40	3,500	4,125,520
5.25%, 11/15/43	8,475	10,100,929
(AGM), 5.25%, 11/15/33	1,000	1,207,470
(AGM), 5.00%, 11/15/39	1,750	2,054,028
		118,255,353
Health 33.4%		
Grand Traverse County Hospital Finance Authority, RB, Series A:		
5.00%, 7/01/44	4,230	4,926,216
5.00%, 7/01/47	2,200	2,557,544
Kalamazoo Hospital Finance Authority, Refunding RB, Bronson Methodist Hospital (AGM),		
5.25%, 5/15/36	7,500	8,441,775
Kent Hospital Finance Authority Michigan, Refunding RB, Spectrum Health, Series A,		
5.00%, 11/15/29	7,500	8,692,275
Michigan Finance Authority, RB:		
Beaumont Health Credit Group, 4.00%, 11/01/46	2,300	2,467,279
Sparrow Obligated Group, 5.00%, 11/15/36	2,500	2,850,900
Sparrow Obligated Group, 5.00%, 11/15/45	3,750	4,446,825
Michigan Finance Authority, Refunding RB:		
Hospital, McLaren Health Care, 5.00%, 5/15/32	1,000	1,203,240
Hospital, McLaren Health Care, 5.00%, 5/15/33	2,000	2,397,720
Hospital, McLaren Health Care, 5.00%, 5/15/34	1,500	1,793,055
Hospital, McLaren Health Care, 5.00%, 5/15/34	5,000	5,976,850
Hospital, McLaren Health Care, 5.00%, 5/15/35	4,945	5,885,292
MidMichigan Health, 5.00%, 6/01/39	1,500	1,760,730
Trinity Health Credit Group,		
5.00%, 12/01/21 (a)	20	24,234
Trinity Health Credit Group, 5.00%, 12/01/31	5,000	5,922,750
Trinity Health Credit Group, 5.00%, 12/01/35	6,500	7,630,090
Trinity Health Credit Group, 5.00%, 12/01/39	4,980	5,806,929
Michigan State Hospital Finance Authority, RB:		
Ascension Health Senior Credit Group, 5.00%, 11/15/25	6,000	6,763,320
Trinity Health Credit, Series A, 5.00%, 12/01/16 (a)	855	868,004
Michigan State Hospital Finance Authority, Refunding RB:		
Henry Ford Health System, 5.75%, 11/15/39	3,165	3,613,290
	Par	
	(000)	Value
Municipal Bonds		
Michigan (continued)		
Health (continued)		
Michigan State Hospital Finance Authority, Refunding RB (continued):		
Henry Ford Health System, Series A, 5.25%, 11/15/46	\$ 2,500	\$ 2,532,850
Hospital, Oakwood Obligated Group, 5.00%, 11/01/32	4,000	4,610,640
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (a)	1,000	1,043,180
Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (a)	5,730	5,977,421

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Hospital, Oakwood Obligated Group, Series A, 5.00%, 7/15/17 (a)	3,970	4,141,424
Hospital, Sparrow Obligated Group, 5.00%, 11/15/17 (a)	3,330	3,519,610
Hospital, Sparrow Obligated Group, 5.00%, 11/15/31	1,365	1,429,046
McLaren Health Care, Series A, 5.75%, 5/15/18 (a)	6,000	6,548,400
McLaren Health Care, Series A, 5.00%, 6/01/35	2,250	2,576,115
Trinity Health, 6.50%, 12/01/18 (a)	425	482,987
Trinity Health, 6.50%, 12/01/33	80	89,922
Trinity Health Credit Group, 6.50%, 12/01/18 (a)	1,895	2,151,640
Trinity Health Credit Group, Series A, 6.13%, 12/01/18 (a)	940	1,059,136
Trinity Health Credit Group, Series A, 6.25%, 12/01/18 (a)	1,500	1,694,460
Trinity Health Credit Group, Series C, 4.00%, 12/01/32	5,300	5,759,298
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital:		
Series D, 5.00%, 9/01/39	25,505	29,657,469
Series V, 8.25%, 9/01/18 (a)	2,000	2,317,560
Series W, 6.00%, 8/01/19 (a)	1,500	1,737,090
		161,356,566
Housing 6.7%		
Michigan State HDA, RB:		
Deaconess Tower, M/F Housing, AMT (Ginnie Mae), 5.25%, 2/20/48	2,000	2,005,480
M/F Housing, Rental Housing Revenue, Series A, 4.45%, 10/01/34	1,000	1,092,110
M/F Housing, Rental Housing Revenue, Series A, 4.63%, 10/01/39	3,490	3,766,932
M/F Housing, Rental Housing Revenue, Series A, 4.75%, 10/01/44	5,000	5,399,700
M/F Housing, Series A, 4.30%, 10/01/40	3,320	3,546,158
S/F Housing, Series A, 4.75%, 12/01/25	6,840	7,298,006
Williams Pavilion, AMT (Ginnie Mae), 4.75%, 4/20/37	3,435	3,469,007
Michigan State HDA, Refunding RB, M/F Housing, Series A, 6.05%, 10/01/41	5,460	6,015,883
		32,593,276
State 14.7%		
Michigan Finance Authority, Refunding RB, Detroit Regional Convention Facility Authority		
Local Project Bonds, 5.00%, 10/01/39	5,400	6,279,336
Michigan State Finance Authority, RB, Local Government Loan Program, Series F, 5.00%, 4/01/31	1,000	1,132,490
Michigan Strategic Fund, RB, Michigan Senate Offices Project, Series A, 5.25%, 10/15/40	3,000	3,592,980
Michigan Strategic Fund, Refunding RB, Cadillac Place Office Building Project, 5.25%, 10/15/31	7,000	8,088,430
State of Michigan, COP, (AMBAC), 0.00%, 6/01/22 (b)(c)	3,000	2,776,590

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

	Par	
	(000)	Value
Municipal Bonds		
Michigan (continued)		
State (continued)		
State of Michigan Building Authority, RB, Local Government Loan Program, Series F, 5.25%, 10/01/41	\$ 8,595	\$ 9,752,661
State of Michigan Building Authority, Refunding RB, Facilities Program:		
Series I, 6.25%, 10/15/18 (a)	3,780	4,247,699
Series I, 6.25%, 10/15/38	2,470	2,757,977
Series I (AGC), 5.25%, 10/15/24	6,000	6,794,520
Series I (AGC), 5.25%, 10/15/25	3,500	3,958,745
Series I (AGC), 5.25%, 10/15/26	1,000	1,129,710
Series I-A, 5.50%, 10/15/45	2,000	2,348,600
Series II (AGM), 5.00%, 10/15/26	7,500	8,413,875
State of Michigan Trunk Line Fund, RB:		
5.00%, 11/15/33	3,000	3,545,010
5.00%, 11/15/36	5,345	6,271,342
		71,089,965
Transportation 11.1%		
State of Michigan, RB, Garvee, GAB (AGM), 5.25%, 9/15/17 (a)	8,500	8,950,075
Wayne County Airport Authority, RB:		
Detroit Metropolitan Wayne County Airport, AMT (NPFGC), 5.00%, 12/01/39	1,475	1,699,377
Series D, 5.00%, 12/01/35	3,850	4,639,982
Series D, 5.00%, 12/01/45	5,000	5,889,250
Wayne County Airport Authority, Refunding RB, AMT:		
(AGC), 5.75%, 12/01/25	4,000	4,419,680
(AGC), 5.75%, 12/01/26	4,060	4,485,975
(AGC), 5.38%, 12/01/32	13,000	14,237,600
Series F, 5.00%, 12/01/34	8,000	9,430,000
		53,751,939
Utilities 15.2%		
City of Detroit Michigan Sewage Disposal System, Refunding RB, Senior Lien, Series A, 5.25%, 7/01/39	2,655	3,043,533
City of Detroit Michigan Water Supply System, Refunding RB, 2nd Lien, Series C (AGM), 5.00%, 7/01/29	16,745	16,810,473
City of Detroit Michigan Water Supply System Revenue, RB, Series A (NPFGC), 5.00%, 7/01/34	10	10,033
City of Grand Rapids Michigan Sanitary Sewer System, Refunding RB, Series A (NPFGC), 5.50%, 1/01/22	1,500	1,707,690
City of Holland Michigan Electric Utility System, RB, Series A, 5.00%, 7/01/39	10,000	11,649,500
City of Lansing Michigan, RB, Board of Water & Light Utilities System, Series A:		
5.00%, 7/01/27	3,180	3,746,771
5.00%, 7/01/31	6,830	7,907,364
5.00%, 7/01/37	3,335	3,861,063
5.50%, 7/01/41	5,000	5,950,750
City of Port Huron Michigan, RB, Water Supply System:		
5.25%, 10/01/31	500	561,915
5.63%, 10/01/40	1,500	1,733,130
Michigan Finance Authority, Refunding RB:		
Government Loan Program, 5.00%, 7/01/34	2,000	2,366,000
Government Loan Program, 5.00%, 7/01/35	750	883,995
Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 7/01/31	1,000	1,192,910
Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 7/01/32	5,250	6,241,882
Senior Lien, Detroit Water and Sewer, Series C-3 (AGM), 5.00%, 7/01/33	3,000	3,554,880
	Par	
	(000)	Value
Municipal Bonds		
Michigan (continued)		
Utilities (continued)		

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Michigan Municipal Bond Authority, RB, State Clean Water Revolving Fund, Pooled Project, 5.00%, 10/01/27	\$	2,000	\$	2,322,520
				73,544,409
Total Municipal Bonds	134.4%			650,347,083

Municipal Bonds Transferred to Tender Option Bond Trusts (d)

Michigan	21.9%			
County/City/Special District/School District	4.0%			
Lakewood Public Schools Michigan, GO, School Building & Site (AGM) (Q-SBLF), 5.00%, 5/01/17 (a)		10,440		11,295,976
Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/18 (a)		7,500		8,079,975
				19,375,951
Education	11.6%			
Michigan State University, Refunding RB, General, Series A, 5.00%, 8/15/38		10,000		12,012,900
Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/18 (a)		10,000		10,837,600
Wayne State University, RB, General, Series A, 5.00%, 11/15/40		10,000		11,730,000
Wayne State University, Refunding RB, General (AGM), 5.00%, 11/15/35		20,000		21,767,572
				56,348,072
Health	6.3%			
Michigan Finance Authority, RB:				
Beaumont Health Credit Group, 5.00%, 11/01/44		10,002		11,919,710
Hospital, Trinity Health Credit Group, 5.00%, 12/01/39		190		221,550
Michigan Finance Authority, Refunding RB, Trinity Health Corp., Series 2016, 5.00%, 12/01/45		10,000		12,080,984
Michigan State Building Authority, Refunding RB, Facilities Program, Series I, 5.00%, 10/15/45		5,150		6,156,464
				30,378,708
Total Municipal Bonds Transferred to Tender Option Bond Trusts	21.9%			106,102,731
Total Long-Term Investments				
(Cost \$686,063,429)	156.3%			756,449,814

Short-Term Securities	Shares			
BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.26% (e)(f)	4,096,066			4,096,066
Total Short-Term Securities				
(Cost \$4,096,066)	0.8%			4,096,066
Total Investments (Cost \$690,159,495)	157.1%			760,545,880
Other Assets Less Liabilities	1.3%			6,153,993
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable				
(10.6)%				(51,274,868)
VRDP Shares at Liquidation Value, Net of Deferred Offering Costs	(47.8)%			(231,456,547)
Net Assets Applicable to Common Shares	100.0%		\$	483,968,458

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

Notes to Schedule of Investments

- (a) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (b) Security is collateralized by municipal bonds or U.S. Treasury obligations.
- (c) Zero-coupon bond.
- (d) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.
- (e) During the year ended July 31, 2016, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliates	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
BlackRock Liquidity Funds, MuniCash, Institutional Class		4,096,066	4,096,066	\$ 4,096,066	\$ 4,873
FFI Institutional Tax-Exempt Fund	1,873,459	(1,873,459)			1,247
Total				\$ 4,096,066	\$ 6,120

- (f) Current yield as of period end.

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts Short	Issue	Expiration	Notional Value	Unrealized Depreciation
(40)	5-Year U.S. Treasury Note	September 2016	\$ 4,880,625	\$ (158)
(97)	10-Year U.S. Treasury Note	September 2016	\$ 12,905,547	(29,641)
(36)	Long U.S. Treasury Bond	September 2016	\$ 6,279,750	(204,334)
(6)	Ultra U.S. Treasury Bond	September 2016	\$ 1,143,187	(12,657)
Total				\$ (246,790)

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Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Liabilities							
Derivative Financial Instruments							
Futures contracts					\$ 246,790		\$ 246,790
Net unrealized depreciation ¹							

¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (884,212)		\$ (884,212)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (176,341)		\$ (176,341)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:	
Average notional value of contracts - short	\$ 19,558,805

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 756,449,814		\$ 756,449,814
Short-Term Securities	\$ 4,096,066			4,096,066
Total	\$ 4,096,066	\$ 756,449,814		\$ 760,545,880

Derivative Financial Instruments²**Liabilities:**

Interest rate contracts	\$ (246,790)			\$ (246,790)
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¹ See above Schedule of Investments for values in each sector.

² Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 1,011			\$ 1,011
Cash pledged for financial futures contracts	329,950			329,950
Liabilities:				
TOB Trust Certificates		\$ (51,227,057)		(51,227,057)
VRDP Shares at Liquidation Value		(231,900,000)		(231,900,000)
Total	\$ 330,961	\$ (283,127,057)		\$ (282,796,096)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Schedule of Investments July 31, 2016

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

(Percentages shown are based on Net Assets)

	Par	
	(000)	Value
Municipal Bonds		
Pennsylvania 121.3%		
Corporate 3.9%		
County of Beaver Pennsylvania IDA, Refunding RB, First Energy Nuclear Energy Project, Series B, 3.50%, 12/01/35 (a)	\$ 3,745	\$ 3,760,916
Pennsylvania Economic Development Financing Authority, RB:		
American Water Co. Project, 6.20%, 4/01/39	1,510	1,706,557
Aqua Pennsylvania, Inc. Project, Series B, 4.50%, 12/01/42	2,630	2,828,092
Pennsylvania Economic Development Financing Authority, Refunding RB, AMT:		
Aqua Pennsylvania, Inc. Project, Series A, 5.00%, 12/01/34	180	200,111
National Gypsum Co., 5.50%, 11/01/44	135	151,939
		8,647,615
County/City/Special District/School District 31.7%		
Allentown Neighborhood Improvement Zone Development Authority, Refunding RB, Series A:		
5.00%, 5/01/35	190	208,677
5.00%, 5/01/42	450	491,013
Bethlehem Area School District, GO (BAM), Series A:		
5.00%, 8/01/34	1,610	1,931,340
5.00%, 8/01/35	1,210	1,446,119
Borough of West Chester Pennsylvania, GO, Refunding, 3.50%, 11/15/35	1,095	1,167,007
Boyertown Area School District, GO:		
5.00%, 10/01/36	610	722,393
5.00%, 10/01/38	920	1,088,792
Bristol Township School District, GO, 5.00%, 6/01/40	775	881,454
City of Lancaster Pennsylvania, GO, Refunding (AGM), 4.00%, 11/01/46	2,010	2,207,382
City of Philadelphia Pennsylvania, GO, Refunding, Series A:		
(AGM), 5.25%, 12/15/32	5,000	5,458,900
(AGC), 5.00%, 8/01/24	2,370	2,652,196
City of Pittsburgh Pennsylvania, GO, Series B, 5.00%, 9/01/26	1,095	1,311,328
County of Bucks Pennsylvania Water & Sewer Authority, RB, Series A (AGM):		
5.00%, 12/01/37	780	934,370
5.00%, 12/01/40	1,000	1,197,910
County of Chester Pennsylvania, GO, 5.00%, 7/15/36	300	378,753
County of Dauphin Pennsylvania General Authority, Refunding RB, Pinnacle Health System Project, 6.00%, 6/01/29	260	297,318
County of Lycoming Pennsylvania Water & Sewer Authority, RB (AGM), 5.00%, 11/15/41	500	558,970
County of Montgomery Pennsylvania IDA, RB, Acts Retirement Life Communities, Inc., 5.00%, 11/15/36 (b)	2,570	3,070,533
County of Northampton Pennsylvania IDA, Route 33 Project, Tax Allocation Bond, 7.00%, 7/01/32	180	200,626
County of York Pennsylvania, GO, Refunding, 5.00%, 3/01/36	500	572,065
East Stroudsburg Area School District, GO, Refunding, Series A (AGM), 5.00%, 9/01/25	3,000	3,137,880
East Stroudsburg Area School District, GO, Series A (NPFGC) (c):		
7.75%, 9/01/17	960	1,035,110
7.75%, 9/01/17	985	1,062,411
7.75%, 9/01/17	55	59,322
Lower Merion School District, GO, Refunding, Series A, 3.25%, 11/15/27	2,035	2,157,426
	Par	
Municipal Bonds	(000)	Value
Pennsylvania (continued)		
County/City/Special District/School District (continued)		
Marple Newtown School District, GO (AGM), 5.00%, 6/01/19 (c)	\$ 4,100	\$ 4,551,656
Northeastern School District York County, GO, Series B (NPFGC), 5.00%, 4/01/17 (c)	1,585	1,632,788
Owen J. Roberts School District, GO, 4.75%, 11/15/25	700	748,755
Philadelphia School District, GO, Series E:		
6.00%, 9/01/18 (c)	5	5,555
6.00%, 9/01/18 (c)	5	5,557
6.00%, 9/01/38	3,340	3,549,685

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Shaler Area School District Pennsylvania, GO, CAB (Syncora), 0.00%, 9/01/30 (d)	6,145	4,316,125
State Public School Building Authority, RB (AGM):		
Community College, Allegheny County Project, 5.00%, 7/15/34	2,190	2,524,369
Corry Area School District, CAB, 0.00%, 12/15/22 (d)	1,640	1,440,330
Corry Area School District, CAB, 0.00%, 12/15/23 (d)	1,980	1,691,217
Corry Area School District, CAB, 0.00%, 12/15/24 (d)	1,980	1,644,647
Corry Area School District, CAB, 0.00%, 12/15/25 (d)	1,770	1,424,567
State Public School Building Authority, Refunding RB, Harrisburg School District Project, Series A (AGC) (c):		
5.00%, 5/15/19	215	240,731
5.00%, 5/15/19	215	240,540
5.00%, 5/15/19	855	956,566
Township of Bristol Pennsylvania School District, GO, 5.25%, 6/01/43	6,925	8,153,149
Township of Falls Pennsylvania, Refunding RB, Water & Sewer Authority, 5.00%, 12/01/37	1,270	1,455,052
Township of Lower Paxton Pennsylvania, GO:		
5.00%, 4/01/42	435	520,204
5.00%, 4/01/46	1,435	1,711,611
		71,042,399
Education 19.3%		
County of Adams Pennsylvania IDA, Refunding RB, Gettysburg College:		
5.00%, 8/15/24	100	113,685
5.00%, 8/15/25	100	113,349
5.00%, 8/15/26	100	113,349
County of Cumberland Pennsylvania Municipal Authority, RB, AICUP Financing Program, Dickinson College Project, 5.00%, 11/01/39	200	220,946
County of Cumberland Pennsylvania Municipal Authority, Refunding RB, Diakon Lutheran:		
6.38%, 1/01/19 (c)	900	1,022,454
6.38%, 1/01/39	100	112,753
County of Delaware Pennsylvania Authority, RB, Villanova University:		
5.00%, 8/01/40	1,005	1,212,784
5.00%, 8/01/45	3,610	4,349,869
County of Delaware Pennsylvania Authority, Refunding RB:		
Haverford College, 5.00%, 11/15/35	415	469,838
Villanova University, 5.25%, 12/01/31	100	112,913
County of Northampton Pennsylvania General Purpose Authority, Refunding RB, Moravian College:		
5.00%, 10/01/36	610	718,007
3.88%, 10/01/45	1,330	1,405,371
Lancaster Higher Education Authority, RB:		
3.00%, 4/01/31	805	815,811
3.00%, 4/01/33	845	847,805

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

	Par	
	(000)	Value
Municipal Bonds		
Pennsylvania (continued)		
Education (continued)		
Lancaster Higher Education Authority, RB (continued):		
3.00%, 4/01/36	\$ 1,090	\$ 1,077,182
Pennsylvania Higher Educational Facilities Authority, RB:		
Drexel University, Series A (NPFGC), 5.00%, 11/01/17 (c)	1,650	1,742,021
Shippensburg University Student Services, Student Housing, 5.00%, 10/01/44	1,460	1,594,948
Thomas Jefferson University, 5.00%, 3/01/40	1,000	1,109,370
Pennsylvania Higher Educational Facilities Authority, Refunding RB:		
Drexel University, 5.00%, 5/01/35 (b)	1,035	1,253,582
Drexel University, 3.00%, 5/01/37 (b)	1,485	1,475,867
Drexel University, Series A, 5.25%, 5/01/41	3,930	4,575,778
La Salle University, 5.00%, 5/01/37	1,325	1,516,502
La Salle University, 5.00%, 5/01/42	1,855	2,121,953
State System of Higher Education, Series AL, 5.00%, 6/15/35	280	317,912
Thomas Jefferson University, 4.00%, 3/01/37	445	476,755
Thomas Jefferson University, 5.00%, 9/01/45	2,000	2,357,200
University of the Sciences Philadelphia, 5.00%, 11/01/30	940	1,133,931
University of the Sciences Philadelphia, 5.00%, 11/01/31	775	929,923
Widener University, Series A, 5.25%, 7/15/33	1,580	1,838,456
Widener University, Series A, 5.50%, 7/15/38	385	449,534
Pennsylvania State University, RB, 5.00%, 3/01/40	1,000	1,133,150
Philadelphia Authority for Industrial Development, Refunding RB, 1st Series, 5.00%, 4/01/45	2,170	2,573,794
Swarthmore Borough Authority, Refunding RB, Swarthmore College Project, 5.00%, 9/15/38	830	1,010,010
Township of East Hempfield Pennsylvania IDA, RB, Student Services, Inc., Student Housing Project at Millersville University of Pennsylvania:		
5.00%, 7/01/35	485	537,540
5.00%, 7/01/35	435	489,949
5.00%, 7/01/45	300	329,766
5.00%, 7/01/47	820	914,210
University of Pittsburgh, RB, Commonwealth System of Higher Education Capital Project, Series B, 5.00%, 9/15/28	610	676,752
		43,265,019
Health 18.7%		
County of Allegheny Pennsylvania Hospital Development Authority, RB, Health Center, UPMC Health, Series B (NPFGC), 6.00%, 7/01/26	2,000	2,728,620
County of Allegheny Pennsylvania Hospital Development Authority, Refunding RB, UPMC Health, Series A-1, 1.33%, 2/01/37 (a)	2,500	2,305,250
County of Berks Pennsylvania Municipal Authority, Refunding RB, Reading Hospital & Medical Center Project:		
Series A, 5.00%, 11/01/40	765	866,898
Series A3, 5.50%, 11/01/31	500	569,265
County of Centre Pennsylvania Hospital Authority, RB, Mount Nittany Medical Center Project, 7.00%, 11/15/21 (c)	2,410	3,158,184
County of Cumberland Pennsylvania Municipal Authority, Refunding RB:		
Asbury Pennsylvania Obligated Group, 5.25%, 1/01/41	210	225,000
Diakon Lutheran Social Ministries, 5.00%, 1/01/38	2,600	3,037,086
	Par	
	(000)	Value
Municipal Bonds		
Pennsylvania (continued)		
Health (continued)		
County of Dauphin Pennsylvania General Authority, Refunding RB, 6.00%, 6/01/19 (c)	\$ 240	\$ 275,664
County of Franklin Pennsylvania IDA, Refunding RB, Chambersburg Hospital Project, 5.38%, 7/01/42	415	474,835
County of Lancaster Pennsylvania Hospital Authority, Refunding RB:		
Masonic Villages of The Grand Lodge of Pennsylvania Project, 5.00%, 11/01/28	575	705,732
Masonic Villages of The Grand Lodge of Pennsylvania Project, 5.00%, 11/01/35	425	504,029
University of Pennsylvania Health System, 5.00%, 8/15/42	1,600	1,943,824
	2,385	2,564,423

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County of Lehigh General Purpose Authority, Refunding RB, The Good Shepherd Group, 4.00%, 11/01/46		
County of Lehigh Pennsylvania, RB, Lehigh Valley Health Network, Series A (AGM), 5.00%, 7/01/33	7,995	8,545,216
County of Montgomery Pennsylvania Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital Obligated Group, Series A, 5.13%, 6/01/33	490	536,021
County of Montgomery Pennsylvania IDA, RB, Acts Retirement-Life Communities: Series A, 4.50%, 11/15/36	120	121,417
Series A-1, 6.25%, 11/15/19 (c)	235	276,748
County of Montgomery Pennsylvania IDA, Refunding RB: Acts Retirement-Life Communities, 5.00%, 11/15/27	865	999,819
Acts Retirement-Life Communities, 5.00%, 11/15/28	555	639,460
Whitemarsh Continuing Care Retirement Community, 5.25%, 1/01/40	220	229,885
County of Union Pennsylvania Hospital Authority, Refunding RB, Evangelical Community Hospital Project, 7.00%, 8/01/41	460	555,381
Geisinger Authority Pennsylvania, RB, Health System, Series A, 5.25%, 6/01/39	1,000	1,104,120
Lancaster IDA, Refunding RB, Garden Spot Village Project: 5.38%, 5/01/28	520	595,561
5.75%, 5/01/35	865	996,869
Pennsylvania Higher Educational Facilities Authority, Refunding RB, University of Pittsburgh Medical Center, Series E, 5.00%, 5/15/31	1,000	1,123,880
Philadelphia Hospitals & Higher Education Facilities Authority, RB, The Children's Hospital of Philadelphia Project, Series C, 5.00%, 7/01/41	940	1,079,637
Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Presbyterian Medical Center, 6.65%, 12/01/19 (e)	1,695	1,870,687
South Fork Municipal Authority, Refunding RB, Conemaugh Valley Memorial Hospital, Series B (AGC), 5.38%, 7/01/20 (c)	2,055	2,413,823
Southcentral Pennsylvania General Authority, Refunding RB, Wellspan Health Obligation Group, Series A: 6.00%, 12/01/18 (c)	595	667,501
6.00%, 6/01/29	655	722,891
		41,837,726
Housing 9.1%		
Pennsylvania HFA, RB:		
Brinton Manor Apartments & Brinton Towers, M/F Housing, Series A, 4.25%, 10/01/35	400	436,464
Brinton Manor Apartments & Brinton Towers, M/F Housing, Series A, 4.50%, 10/01/40	400	435,720

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

	Par	
	(000)	Value
Municipal Bonds		
Pennsylvania (continued)		
Housing (continued)		
Pennsylvania HFA, RB (continued):		
S/F Housing Mortgage, Series 114-C, 3.65%, 10/01/37	\$ 2,305	\$ 2,391,898
S/F Housing Mortgage, Series 118B, 4.05%, 10/01/40	1,000	1,076,450
S/F Housing Mortgage, Series 2015-117B, 4.05%, 10/01/40	1,600	1,694,704
Pennsylvania HFA, Refunding RB, AMT:		
S/F Housing Mortgage, Series 096-A, 4.70%, 10/01/37	735	736,779
S/F Housing Mortgage, Series 097-A, 4.65%, 10/01/31	1,300	1,304,108
S/F Housing Mortgage, Series 099-A, 5.15%, 4/01/38	1,065	1,152,969
S/F Housing Mortgage, Series 115-A, 4.20%, 10/01/33	750	808,320
S/F Mortgage, Series 119, 3.50%, 10/01/36	1,515	1,567,737
Pennsylvania Higher Educational Facilities Authority, Refunding RB, University Properties, Inc. Student Housing Project, Series A, 5.00%, 7/01/35 (b)	300	348,336
Philadelphia Housing Authority, RB, Capital Fund Program, M/F Housing, Series A (AGM), 5.50%, 12/01/18	3,000	3,030,030
Philadelphia IDA, RB, Series A:		
3.00%, 12/01/29	750	745,897
3.50%, 12/01/36	790	783,159
4.00%, 12/01/46	2,970	2,992,423
4.00%, 12/01/51	790	792,623
		20,297,617
State 10.2%		
Commonwealth of Pennsylvania, GO, 1st Series:		
5.00%, 4/01/26	1,385	1,668,260
5.00%, 6/01/28	4,460	5,245,317
5.00%, 3/15/33	1,775	2,115,907
Pennsylvania Economic Development Financing Authority, RB, Pennsylvania Bridge Finco LP, AMT, 5.00%, 6/30/42	7,500	8,813,700
Pennsylvania Turnpike Commission, RB, Oil Franchise Tax, Remarketing, Series C (NPFGC), 5.00%, 12/01/18 (c)	4,600	5,026,190
		22,869,374
Transportation 18.8%		
City of Philadelphia Pennsylvania, ARB, Series A:		
5.00%, 6/15/40	3,825	4,318,157
AMT (AGM), 5.00%, 6/15/37	5,900	6,082,192
Delaware River Port Authority, RB:		
5.00%, 1/01/29	475	578,683
5.00%, 1/01/37	2,285	2,717,436
Series D, 5.00%, 1/01/40	750	845,002
Series D (AGM), 5.00%, 1/01/40	1,560	1,760,398
Pennsylvania Economic Development Financing Authority, Refunding RB, Amtrak Project, Series A, AMT, 5.00%, 11/01/41	6,025	6,729,202
Pennsylvania Turnpike Commission, RB:		
CAB, Sub-Series A-3, 0.00%, 12/01/42 (d)	4,760	1,948,506
CAB, Sub-Series A-3 (AGM), 0.00%, 12/01/40 (d)	1,275	595,859
Series A-1, 5.00%, 12/01/46	2,970	3,536,854
Sub-Series A, 5.13%, 12/01/26	100	115,064
Pennsylvania Turnpike Commission, Refunding RB:		
Sub-Series A-1, 5.25%, 12/01/45	3,270	3,921,253
Sub-Series B (AGM), 5.25%, 6/01/39	3,500	3,885,350
	Par	
Municipal Bonds	(000)	Value
Pennsylvania (continued)		
Transportation (continued)		
Southeastern Pennsylvania Transportation Authority, RB, Capital Grant Receipts:		

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5.00%, 6/01/28	\$ 1,860	\$ 2,163,292
5.00%, 6/01/29	2,465	2,863,196
		42,060,444
Utilities 9.6%		
City of Philadelphia Pennsylvania Gas Works, RB, 09th Series, 5.25%, 8/01/40	1,700	1,920,167
City of Philadelphia Pennsylvania Gas Works, Refunding RB:		
5.00%, 8/01/30	800	966,416
5.00%, 8/01/31	600	720,822
5.00%, 8/01/32	800	957,528
5.00%, 8/01/33	400	477,344
5.00%, 8/01/34	700	832,874
City of Philadelphia Pennsylvania Water & Wastewater, RB:		
Series A, 5.25%, 1/01/36	800	875,304
Series C (AGM), 5.00%, 8/01/40	3,350	3,802,183
County of Allegheny Pennsylvania Sanitary Authority, RB, Sewer Improvement (BAM), 5.25%, 12/01/41	1,410	1,690,421
County of Bucks Pennsylvania Water & Sewer Authority, RB, Water System (AGM), 5.00%, 12/01/41	30	34,541
County of Delaware Pennsylvania Regional Water Quality Control Authority, RB, Sewer Improvements, 5.00%, 5/01/33	420	496,037
County of Westmoreland Pennsylvania Municipal Authority, RB (BAM), 5.00%, 8/15/42 (b)	3,500	4,139,380
Pennsylvania Economic Development Financing Authority, RB, Philadelphia Biosolids Facility, 6.25%, 1/01/32	1,605	1,776,446
Reading Area Water Authority Pennsylvania, RB (AGM), 5.00%, 6/01/17 (c)	2,680	2,779,187
		21,468,650
Total Municipal Bonds in Pennsylvania		271,488,844
 Municipal Bonds Transferred to Tender Option Bond Trusts (f)		
Pennsylvania 40.6%		
Education 13.1%		
Pennsylvania Higher Educational Facilities Authority, RB, University of Pennsylvania Health System, Series A:		
5.75%, 8/15/21 (c)	5,120	6,228,941
4.00%, 8/15/39	7,815	8,396,041
Pennsylvania Higher Educational Facilities Authority, Series AR, 4.00%, 6/15/38	11,335	12,276,712
University of Pittsburgh, RB, The Commonwealth System of Higher Education, Capital Project, Series B, 5.00%, 9/15/28	2,202	2,442,614
		29,344,308
Health 13.1%		
Geisinger Authority Pennsylvania, RB, Health System:		
Series A, 5.13%, 6/01/34	3,000	3,303,720
Series A, 5.25%, 6/01/39	3,128	3,453,993
Series A-1, 5.13%, 6/01/41	7,430	8,411,260
Pennsylvania Economic Development Financing Authority, RB, UPMC, Series B, 4.00%, 3/15/40	8,000	8,674,320

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

	Par	
	(000)	Value
Municipal Bonds Transferred to Tender Option Bond Trusts (f)		
Health (continued)		
Philadelphia Hospitals & Higher Education Facilities Authority, RB, The Children's Hospital of Philadelphia Project, Series C, 5.00%, 7/01/41	\$ 4,680	\$ 5,375,214
		29,218,507
Housing 2.9%		
Pennsylvania HFA, Refunding RB, S/F Mortgage, AMT:		
Series 114A, 3.70%, 10/01/42	3,022	3,165,219
Series 115A, 4.20%, 10/01/33	3,000	3,233,280
		6,398,499
State 11.5%		
Commonwealth of Pennsylvania, GO, 1st Series, 5.00%, 3/15/28	6,028	6,647,950
General Authority of Southcentral Pennsylvania, Refunding RB, Wellspan Health Obligated Group, Series A, 5.00%, 6/01/44	7,000	8,189,650
Pennsylvania Turnpike Commission, RB, Oil Franchise Tax, Remarketing, Series C (NPFGC), 5.00%, 12/01/32	10,000	10,926,500
		25,764,100
Total Municipal Bonds Transferred to Tender Option Bond Trusts 40.6%		90,725,414
Total Long-Term Investments (Cost \$329,753,967) 161.9%		362,214,258
Short-Term Securities	Shares	Value
BlackRock Liquidity Funds, MuniCash, Institutional Class, 0.26% (g)(h)	455,980	\$ 455,980
Total Short-Term Securities		
(Cost \$455,980) 0.2%		455,980
Total Investments (Cost \$330,209,947) 162.1%		362,670,238
Liabilities in Excess of Other Assets (3.5%)		(7,861,651)
Liability for TOB Trust Certificates, Including Interest Expense and Fees Payable (21.8%)		(48,750,986)
VRDP Shares at Liquidation Value, Net of Deferred Offering Costs (36.8%)		(82,319,616)
Net Assets Applicable to Common Shares 100.0%		\$ 223,737,985

Notes to Schedule of Investments

(a) Variable rate security. Rate as of period end.

(b) When-issued security.

(c) U.S. Government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.

(d) Zero-coupon bond.

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(e) Security is collateralized by municipal bonds or U.S. Treasury obligations.

(f) Represent bonds transferred to a TOB Trust in exchange of cash and residual certificates received by the Fund. These bonds serve as collateral in a secured borrowing. See Note 4 of the Notes to Financial Statements for details.

(g) During the year ended July 31, 2016, investments in issuers considered to be affiliates of the Fund for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

Affiliates	Shares Held at July 31, 2015	Net Activity	Shares Held at July 31, 2016	Value at July 31, 2016	Income
BlackRock Liquidity Funds, MuniCash, Institutional Class		455,980	455,980	\$ 455,980	\$ 987
BlackRock Pennsylvania Municipal Money Fund	383,495	(383,495)			134
FFI Institutional Tax-Exempt Fund					65
Total				\$ 455,980	\$ 1,186

(h) Current yield as of period end.

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

Derivative Financial Instruments Outstanding as of Period End

Futures Contracts

Contracts	Short	Issue	Expiration	Notional Value	Unrealized Appreciation (Depreciation)
(14)		5-Year U.S. Treasury Note	September 2016	\$ 1,708,219	\$ 5,670
(44)		10-Year U.S. Treasury Note	September 2016	\$ 5,854,063	(6,432)
(18)		Long U.S. Treasury Bond	September 2016	\$ 3,139,875	(24,374)
(5)		Ultra U.S. Treasury Bond	September 2016	\$ 952,656	(4,740)
Total					\$ (29,876)

See Notes to Financial Statements.

Schedule of Investments (continued)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

Derivative Financial Instruments Categorized by Risk Exposure

As of period end, the fair values of derivative financial instruments located in the Statements of Assets and Liabilities were as follows:

Assets	Derivative Financial Instruments	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Futures contracts	Net unrealized appreciation ¹					\$ 5,670		\$ 5,670

Liabilities Derivative Financial Instruments

Futures contracts	Net unrealized depreciation ¹					\$ 35,546		\$ 35,546
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¹ Includes cumulative appreciation (depreciation) on futures contracts, if any, as reported in the Schedule of Investments. Only current day's variation margin is reported within the Statements of Assets and Liabilities.

For the year ended July 31, 2016, the effect of derivative financial instruments in the Statements of Operations was as follows:

	Commodity Contracts	Credit Contracts	Equity Contracts	Foreign Currency Exchange Contracts	Interest Rate Contracts	Other Contracts	Total
Net Realized Gain (Loss) from:							
Futures contracts					\$ (741,337)		\$ (741,337)
Net Change in Unrealized Appreciation (Depreciation) on:							
Futures contracts					\$ (486)		\$ (486)

Average Quarterly Balances of Outstanding Derivative Financial Instruments

Futures contracts:

Average notional value of contracts short \$ 9,780,746

For more information about the Fund's investment risks regarding derivative financial instruments, refer to the Notes to Financial Statements.

Fair Value Hierarchy as of Period End

Various inputs are used in determining the fair value of investments and derivative financial instruments. For information about the Fund's policy regarding valuation of investments and derivative financial instruments, refer to the Notes to Financial Statements.

The following tables summarize the Fund's investments and derivative financial instruments categorized in the disclosure hierarchy:

	Level 1	Level 2	Level 3	Total
Assets:				
Investments:				
Long-Term Investments ¹		\$ 362,214,258		\$ 362,214,258
Short-Term Securities	\$ 455,980			455,980
Total	455,980	\$ 362,214,258		\$ 362,670,238

Derivative Financial Instruments²

Assets:

Interest rate contracts	\$ 5,670	\$ 5,670
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Liabilities:

Interest rate contracts	(35,546)	(35,546)
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Total	\$ (29,876)	\$ (29,876)
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¹ See above Schedule of Investments for values in each sector.

² Derivative financial instruments are futures contracts. Futures contracts are valued at the unrealized appreciation (depreciation) on the instrument.

See Notes to Financial Statements.

Schedule of Investments (concluded)

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

The Fund may hold assets and/or liabilities in which the fair value approximates the carrying amount for financial statement purposes. As of period end, such assets and/or liabilities are categorized within the disclosure hierarchy as follows:

	Level 1	Level 2	Level 3	Total
Assets:				
Cash	\$ 40,776			\$ 40,776
Cash pledged for futures contracts	162,800			162,800
Liabilities:				
TOB Trust Certificates		\$ (48,709,782)		(48,709,782)
VRDP Shares at Liquidation Value		(82,600,000)		(82,600,000)
Total	\$ 203,576	\$ (131,309,782)		\$ (131,106,206)

During the year ended July 31, 2016, there were no transfers between levels.

See Notes to Financial Statements.

Statements of Assets and Liabilities

	BlackRock MuniHoldings California Quality Fund, Inc. (MUC)	BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)	BlackRock MuniYield Investment Quality Fund (MFT)	BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)	BlackRock MuniYield Pennsylvania Quality Fund (MPA)
July 31, 2016					
Assets					
Investments at value unaffiliated	\$ 1,094,538,343	\$ 771,856,409	\$ 209,669,819	\$ 756,449,814	\$ 362,214,258
Investments at value affiliated		15,571,111	204,010	4,096,066	455,980
Cash		1,766	504	1,011	40,776
Cash pledged for futures contracts	423,500	511,000	86,550	329,950	162,800
Receivables:					
Interest	15,197,597	5,511,365	2,174,427	8,190,724	3,379,842
Investments sold			3,309,149		3,468,125
Dividends affiliated	797	3,083	99	535	163
Prepaid expenses	38,364	34,020	28,561	33,688	29,570
Total assets	1,110,198,601	793,488,754	215,473,119	769,101,788	369,751,514
Accrued Liabilities					
Bank overdraft	1,145,882				
Payables:					
Investments purchased	4,369,714		4,463,498		13,787,357
Income dividends	2,521,653	2,035,386	601,596	1,893,009	831,853
Investment advisory fees	486,924	334,618	88,406	318,929	146,314
Officers and Directors fees	290,526	6,228	1,999	6,011	10,173
Interest expense and fees	230,741	51,580	20,097	47,811	41,204
Variation margin on futures contracts	137,797	167,767	28,078	107,485	52,563
Other accrued expenses	188,906	156,393	76,790	76,481	114,667
Total accrued liabilities	9,372,143	2,751,972	5,280,464	2,449,726	14,984,131
Other Liabilities					
TOB Trust Certificates	169,698,729	55,088,706	21,953,285	51,227,057	48,709,782
VRDP Shares at liquidation value of \$100,000 per share, net of deferred offering costs ^{3,4}		236,589,782		231,456,547	82,319,616
VMTP Shares, at liquidation value of \$100,000 per share ^{3,4}	254,000,000		56,500,000		
Total other liabilities	423,698,729	291,678,488	78,453,285	282,683,604	131,029,398
Total liabilities	433,070,872	294,430,460	83,733,749	285,133,330	146,013,529
Net Assets Applicable to Common Shareholders	\$ 677,127,729	\$ 499,058,294	\$ 131,739,370	\$ 483,968,458	\$ 223,737,985
Net Assets Applicable to Common Shareholders Consist of					
Paid-in capital ^{5,6}	\$ 585,933,933	\$ 424,127,549	\$ 117,993,390	\$ 421,036,239	\$ 197,272,827
Undistributed net investment income	5,007,780	4,730,530	1,684,937	1,725,450	601,817
Accumulated net realized loss	(8,374,805)	(8,547,813)	(11,790,712)	(8,932,826)	(6,567,074)
Net unrealized appreciation (depreciation)	94,560,821	78,748,028	23,851,755	70,139,595	32,430,415
Net Assets Applicable to Common Shareholders	\$ 677,127,729	\$ 499,058,294	\$ 131,739,370	\$ 483,968,458	\$ 223,737,985
Net asset value per Common Share	\$ 16.51	\$ 16.55	\$ 15.55	\$ 16.36	\$ 16.76

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¹ Investments at cost unaffiliated	\$ 999,853,396	\$ 692,687,905	\$ 185,797,218	\$ 686,063,429	\$ 329,753,967
² Investments at cost affiliated		\$ 15,571,111	\$ 204,010	\$ 4,096,066	\$ 455,980
³ Preferred Shares outstanding:					
Par value \$0.05 per share			565		826
Par value \$0.10 per share	2,540	2,371		2,319	
⁴ Preferred Shares authorized	18,140	9,847	1,000,0000	8,046	1,000,000
⁵ Common Shares outstanding, par value \$0.10 per share	41,002,483	30,153,865	8,473,184	29,578,269	13,352,365
⁶ Common Shares authorized	199,981,860	199,990,153	unlimited	199,991,954	unlimited

See Notes to Financial Statements.

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Statements of Operations

	BlackRock MuniHoldings California	BlackRock MuniHoldings New Jersey	BlackRock MuniYield Investment	BlackRock MuniYield Michigan	BlackRock MuniYield Pennsylvania
	Quality Fund, Inc. (MUC)	Quality Fund, Inc. (MUJ)	Quality Fund (MFT)	Quality Fund, Inc. (MIY)	Quality Fund (MPA)
Year Ended July 31, 2016					
Investment Income					
Interest unaffiliated	\$ 41,813,899	\$ 32,676,659	\$ 9,092,518	\$ 29,281,224	\$ 13,886,849
Dividends affiliated	2,307	4,227	889	6,120	1,186
Total income	41,816,206	32,680,886	9,093,407	29,287,344	13,888,035
Expenses					
Investment advisory	5,944,996	3,859,422	1,025,587	3,495,337	1,652,477
Professional	120,298	108,573	56,388	89,577	67,559
Accounting services	122,599	100,180	33,735	91,344	42,406
Reorganization costs				224,868	
Officer and Directors	85,706	49,498	13,467	47,901	22,875
Custodian	41,969	32,781	11,116	32,292	16,648
Transfer agent	39,853	38,599	19,780	39,217	31,101
Rating agency	36,971	36,950	36,693	36,817	36,730
Printing	14,710	11,866	8,667	20,395	9,905
Registration	13,752	9,165	8,105	9,061	8,835
Liquidity fees		24,215			
Remarketing fees on Preferred Shares		23,775			
Miscellaneous	55,425	55,077	29,505	56,618	42,540
Total expenses excluding interest expense, fees and amortization of offering costs	6,476,279	4,350,101	1,243,043	4,143,427	1,931,076
Interest expense, fees and amortization of offering cost ¹	4,096,926	2,960,545	827,419	2,730,215	1,218,186
Total expenses	10,573,205	7,310,646	2,070,462	6,873,642	3,149,262
Less:					
Fees waived by the Manager	(368,776)	(2,200)	(205)	(1,692)	(948)
Fees paid indirectly	(185)	(254)	(8)	(802)	(918)
Total expenses after fees waived and paid indirectly	10,204,244	7,308,192	2,070,249	6,871,148	3,147,396
Net investment income	31,611,962	25,372,694	7,023,158	22,416,196	10,740,639
Realized and Unrealized Gain (Loss)					
Net realized gain (loss) from:					
Investments unaffiliated	2,536,180	937,001	392,093	3,301,603	802,166
Futures contracts	(1,364,663)	(1,521,864)	(430,779)	(884,212)	(741,337)
	1,171,517	(584,863)	(38,686)	2,417,391	60,829
Net change in unrealized appreciation (depreciation) on:					
Investments unaffiliated	30,251,306	29,918,857	5,284,595	25,908,747	13,470,900
Futures contracts	(70,234)	(263,796)	(6,180)	(176,341)	(486)
	30,181,072	29,655,061	5,278,415	25,732,406	13,470,414
Net realized and unrealized gain	31,352,589	29,070,198	5,239,729	28,149,797	13,531,243

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

\$ 62,964,551	\$ 54,442,892	\$ 12,262,887	\$ 50,565,993	\$ 24,271,882
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¹ Related to TOBs Trusts, VRDP and/or VMTP Shares.

See Notes to Financial Statements.

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Statements of Changes in Net Assets

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock MuniHoldings California Quality Fund, Inc. (MUC)		BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)	
	Year Ended July 31, 2016	2015	Year Ended July 31, 2016	2015
Operations				
Net investment income	\$ 31,611,962	\$ 31,891,095	\$ 25,372,694	\$ 20,128,100
Net realized gain (loss)	1,171,517	4,449,083	(584,863)	(30,115)
Net change in unrealized appreciation (depreciation)	30,181,072	(4,739,523)	29,655,061	(5,936,701)
Net increase in net assets applicable to Common Shareholders resulting from operations	62,964,551	31,600,655	54,442,892	14,161,284
Distributions to Common Shareholders¹				
From net investment income	(32,734,127)	(33,540,031)	(26,330,988)	(19,867,803)
Capital Share Transactions				
Net proceeds from the issuance of common shares due to reorganization				141,228,164
Net Assets Applicable to Common Shareholders				
Total increase (decrease) in net assets applicable to Common Shareholders	30,230,424	(1,939,376)	28,111,904	135,521,645
Beginning of year	646,897,305	648,836,681	470,946,390	335,424,745
End of year	\$ 677,127,729	\$ 646,897,305	\$ 499,058,294	\$ 470,946,390
Undistributed net investment income, end of year	\$ 5,007,780	\$ 5,740,102	\$ 4,730,530	\$ 5,733,537

¹ Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Changes in Net Assets

Increase (Decrease) in Net Assets Applicable to Common Shareholders:	BlackRock MuniYield Investment Quality Fund (MFT) Year Ended July 31,		BlackRock MuniYield Michigan Quality Fund, Inc. (MIY) Year Ended July 31,	
	2016	2015	2016	2015
Operations				
Net investment income	\$ 7,023,158	\$ 7,103,506	\$ 22,416,196	\$ 15,097,053
Net realized gain (loss)	(38,686)	13,364	2,417,391	1,743,414
Net change in unrealized appreciation (depreciation)	5,278,415	1,150,981	25,732,406	3,262,712
Net increase in net assets applicable to Common Shareholders resulting from operations	12,262,887	8,267,851	50,565,993	20,103,179
Distributions to Common Shareholders¹				
From net investment income	(7,219,153)	(7,219,153)	(22,410,047)	(15,712,311)
Capital Share Transactions				
Net proceeds from the issuance of common shares due to reorganization			173,278,358	
Net Assets Applicable to Common Shareholders				
Total increase in net assets applicable to Common Shareholders	5,043,734	1,048,698	201,434,304	4,390,868
Beginning of year	126,695,636	125,646,938	282,534,154	278,143,286
End of year	\$ 131,739,370	\$ 126,695,636	\$ 483,968,458	\$ 282,534,154
Undistributed net investment income, end of year	\$ 1,684,937	\$ 1,880,453	\$ 1,725,450	\$ 1,782,557

¹ Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Changes in Net Assets

	BlackRock MuniYield Pennsylvania Quality Fund (MPA) Year Ended July 31,	
Increase (Decrease) in Net Assets Applicable to Common Shareholders:	2016	2015
Operations		
Net investment income	\$ 10,740,639	\$ 9,735,486
Net realized gain	60,829	338,698
Net change in unrealized appreciation (depreciation)	13,470,414	(245,483)
Net increase in net assets applicable to Common Shareholders resulting from operations	24,271,882	9,828,701
Distributions to Common Shareholders¹		
From net investment income	(11,082,463)	(10,405,017)
Capital Share Transactions		
Net proceeds from the issuance of common shares due to reorganization		29,666,266
Net Assets Applicable to Common Shareholders		
Total increase in net assets applicable to Common Shareholders	13,189,419	29,089,950
Beginning of year	210,548,566	181,458,616
End of year	\$ 223,737,985	\$ 210,548,566
Undistributed net investment income, end of year	\$ 601,817	\$ 1,032,075

¹ Distributions for annual periods determined in accordance with federal income tax regulations.

See Notes to Financial Statements.

Statements of Cash Flows

	BlackRock MuniHoldings California Quality	BlackRock MuniHoldings New Jersey Quality	BlackRock MuniYield Investment Quality	BlackRock MuniYield Michigan Quality	BlackRock MuniYield Pennsylvania Quality
	Fund, Inc. (MUC)	Fund, Inc. (MUJ)	Fund (MFT)	Fund, Inc. (MIY)	Fund (MPA)
Year Ended July 31, 2016					
Cash Provided by (Used for) Operating Activities					
Net increase in net assets resulting from operations	\$ 62,964,551	\$ 54,442,892	\$ 12,262,887	\$ 50,565,993	\$ 24,271,882
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by (used for) operating activities:					
Proceeds from sales of long-term investments	225,117,447	76,461,666	39,560,247	128,196,920 ¹	54,140,077
Purchases of long-term investments	(238,175,262)	(71,386,450)	(44,350,115)	(144,148,456) ¹	(76,708,710)
Net proceeds from sales (purchases) of short-term securities	505,447	(4,384,513)	2,233,017	(2,222,607)	(72,485)
Amortization of premium and accretion of discount on investments and other fees	6,700,694	(56,329)	675,953	2,370,033	532,438
Net realized gain on investments	(2,536,180)	(937,001)	(392,093)	(3,301,603)	(802,166)
Net unrealized gain on investments	(30,251,306)	(29,918,857)	(5,284,595)	(25,908,747)	(13,470,900)
(Increase) decrease in assets:					
Receivables:					
Interest unaffiliated	(712,967)	261,137	17,404	477,248 ¹	(217,989)
Dividends affiliated	(797)	(3,083)	(99)	(535)	(163)
Prepaid expenses	(3,534)	(5,000)	(2,231)	(5,493) ¹	(1,924)
Cash pledged for futures contracts	(254,750)	(97,000)	39,000	(118,450) ¹	(87,200)
Increase (decrease) in liabilities:					
Payables:					
Investment advisory fees	24,952	13,330	2,666	(37,732) ¹	14,632
Interest expense and fees	201,668	35,770	14,162	4,346 ¹	36,918
Other accrued expenses	30,117	40,715	5,096	(77,840) ¹	64,271
Variation margin on futures contracts	63,578	(11,608)	(27,141)	57,172 ¹	19,313
Officers and Directors fees	33,307	1,001	507	1,184 ¹	1,137
Reorganization costs		(292,136)		(180,904) ¹	(225,654)
Net cash provided by (used for) operating activities	23,706,965	24,164,534	4,754,665	5,670,529	(12,506,523)
Cash Provided by (Used for) Financing Activities					
Proceeds from TOB Trust Certificates	27,042,907	2,345,126	2,598,450	18,167,060	23,741,437
Repayments of TOB Trust Certificates	(18,915,612)		(133,458)	(5,220,000)	
Cash dividends paid to Common Shareholders	(32,980,142)	(26,526,988)	(7,219,153)	(22,992,709) ¹	(11,205,304)
Proceeds from Loan for TOB Trust Certificates	7,659,937			5,220,000	
Repayments of Loan for TOB Trust Certificates	(7,659,937)			(5,220,000)	
Increase in bank overdraft	1,145,882				
Amortization of deferred offering costs		19,094		12,858 ¹	11,166
Net cash (provided by) used for financing activities	(23,706,965)	(24,162,768)	(4,754,161)	(10,032,791)	12,547,299
Cash					
Net increase (decrease) in cash		1,766	504	(4,362,262)	40,776
Cash at beginning of year				4,363,273 ²	
Cash at end of year		\$ 1,766	\$ 504	\$ 1,011	\$ 40,776
Supplemental Disclosure of Cash Flow Information					
Cash paid during the year for interest expense	\$ 3,895,258	\$ 2,905,681	\$ 813,257	\$ 2,713,011	\$ 1,170,102
Non-Cash Financing Activities					

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Fair Value of investments acquired in reorganization	\$ 268,842,773
Common Shares issued in reorganization	\$ 173,278,358
Preferred Shares issued in reorganization	\$ 87,300,000

¹ Includes assets and liabilities acquired in reorganization.

² Includes cash acquired in reorganization of \$4,363,273.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniHoldings California Quality Fund, Inc.
(MUC)

	Year Ended July 31,				
	2016	2015	2014	2013	2012
Per Share Operating Performance					
Net asset value, beginning of year	\$ 15.78	\$ 15.82	\$ 14.52	\$ 16.41	\$ 14.27
Net investment income ¹	0.77	0.78	0.82	0.86	0.95
Net realized and unrealized gain (loss)	0.76	(0.00) ²	1.34	(1.82)	2.13
Distributions to AMPS Shareholders from net investment income					(0.01)
Net increase (decrease) from investment operations	1.53	0.78	2.16	(0.96)	3.07
Distributions to Common Shareholders from net investment income ³	(0.80)	(0.82)	(0.86)	(0.93)	(0.93)
Net asset value, end of year	\$ 16.51	\$ 15.78	\$ 15.82	\$ 14.52	\$ 16.41
Market price, end of year	\$ 16.28	\$ 14.28	\$ 14.04	\$ 13.31	\$ 16.36
Total Return Applicable to Common Shareholders⁴					
Based on net asset value	10.20%	5.52%	15.94%	(6.16)%	22.26%
Based on market price	20.08%	7.60%	12.25%	(13.71)%	32.27%
Ratios to Average Net Assets Applicable to Common Shareholders					
Total expenses	1.60%	1.47%	1.57%	1.64%	1.48% ⁵
Total expenses after fees waived and/or paid indirectly	1.55%	1.45%	1.51%	1.56%	1.39% ⁵
Total expenses after fees waived and/or paid indirectly and excluding interest expense fees, and amortization of offering costs ⁶	0.93%	0.93%	0.93%	0.92%	1.01% ^{5,7}
Net investment income	4.79%	4.88%	5.44%	5.27%	6.14% ⁵
Distributions to AMPS Shareholders					0.06%
Net investment income to Common Shareholders	4.79%	4.88%	5.44%	5.27%	6.08%
Supplemental Data					
Net assets applicable to Common Shareholders, end of year (000)	\$ 677,128	\$ 646,897	\$ 648,837	\$ 595,269	\$ 671,077
VMTP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 254,000	\$ 254,000	\$ 254,000	\$ 254,000	\$ 254,000
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of year	\$ 366,586	\$ 354,684	\$ 355,448	\$ 334,358	\$ 364,204
Borrowings outstanding, end of year (000)	\$ 169,699	\$ 161,571	\$ 88,271	\$ 172,316	\$ 185,775
Portfolio turnover rate	21%	25%	25%	34%	46%

¹ Based on average Common Shares outstanding.

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- ² Amount is greater than \$(0.005) per share.
- ³ Distributions for annual periods determined in accordance with federal income tax regulations.
- ⁴ Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- ⁵ Does not reflect the effect of distributions to AMPS Shareholders.
- ⁶ Interest expense, fees and amortization of offering costs related to TOBs and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.
- ⁷ For the year ended July 31, 2012 the total expense ratio after fees waived and/or paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.97%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniHoldings New Jersey Quality Fund, Inc.
(MUJ)

	Year Ended July 31,				
	2016	2015	2014	2013	2012
Per Share Operating Performance					
Net asset value, beginning of year	\$ 15.62	\$ 15.74	\$ 14.51	\$ 16.54	\$ 14.73
Net investment income ¹	0.84	0.84	0.86	0.86	0.83
Net realized and unrealized gain (loss)	0.96	(0.07)	1.27	(2.00)	1.87
Net increase (decrease) from investment operations	1.80	0.77	2.13	(1.14)	2.70
Distributions to Common Shareholders: ²					
From net investment income Distributions	(0.87)	(0.89)	(0.89)	(0.89)	(0.89)
From net realized gain			(0.01)		
Total distributions	(0.87)	(0.89)	(0.90)	(0.89)	(0.89)
Net asset value, end of year	\$ 16.55	\$ 15.62	\$ 15.74	\$ 14.51	\$ 16.54
Market price, end of year	\$ 16.12	\$ 13.55	\$ 14.11	\$ 13.30	\$ 16.05
Total Return Applicable to Common Shareholders³					
Based on net asset value	12.39%	5.59%	15.79%	(7.19)%	18.96%
Based on market price	26.20%	2.18%	13.24%	(12.33)%	23.76%
Ratios to Average Net Assets Applicable to Common Shareholders					
Total expenses	1.52%	1.62% ⁴	1.64%	1.61%	1.81%
Total expenses after fees waived and/or reimbursed and/or paid indirectly	1.52%	1.57% ⁴	1.57%	1.58%	1.78%
Total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs ⁵	0.90% ⁶	1.02% ^{4,6}	1.25% ⁶	1.33% ⁶	1.43% ⁶
Net investment income to Common Shareholders	5.27%	5.27%	5.78%	5.28%	5.28%
Supplemental Data					
Net assets applicable to Common Shareholders, end of year (000)	\$ 499,058	\$ 470,946	\$ 335,425	\$ 309,165	\$ 351,837
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 237,100	\$ 237,100	\$ 172,700	\$ 172,700	\$ 172,700
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 310,484	\$ 298,628	\$ 294,224	\$ 279,019	\$ 303,727
Borrowings outstanding, end of year (000)	\$ 55,089	\$ 52,744	\$ 34,699	\$ 38,231	\$ 29,719
Portfolio turnover rate	9%	10%	16%	10%	17%

¹ Based on average Common Shares outstanding.

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- ² Distributions for annual periods determined in accordance with federal income tax regulations.
- ³ Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- ⁴ Includes reorganization costs associated with the Fund's reorganization. Without these costs, total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.52%, 1.50% and 0.95%, respectively.
- ⁵ Interest expense, fees and amortization of offering costs related to TOBs and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.
- ⁶ For the years ended, July 31, 2016, July 31, 2015, July 31, 2014, July 31, 2013 and July 31, 2012, the total expense ratio after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.89%, 1.01%, 0.95%, 0.93% and 1.01%, respectively.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield Investment Quality Fund (MFT)

	Year Ended July 31,				
	2016	2015	2014	2013	2012
Per Share Operating Performance					
Net asset value, beginning of year	\$ 14.95	\$ 14.83	\$ 13.61	\$ 15.73	\$ 13.40
Net investment income ¹	0.83	0.84	0.85	0.84	0.87
Net realized and unrealized gain (loss)	0.62	0.13	1.22	(2.11)	2.32
Distributions to AMPS Shareholders from net investment income					(0.01)
Net increase (decrease) from investment operations	1.45	0.97	2.07	(1.27)	3.18
Distributions to Common Shareholders from net investment income ²	(0.85)	(0.85)	(0.85)	(0.85)	(0.85)
Net asset value, end of year	\$ 15.55	\$ 14.95	\$ 14.83	\$ 13.61	\$ 15.73
Market price, end of year	\$ 16.09	\$ 13.37	\$ 13.26	\$ 12.20	\$ 15.47
Total Return Applicable to Common Shareholders³					
Based on net asset value	10.31%	7.25%	16.40%	(8.41)%	24.51%
Based on market price	27.63%	7.27%	16.10%	(16.52)%	32.43%
Ratios to Average Net Assets Applicable to Common Shareholders					
Total expenses	1.61%	1.56%	1.67%	1.72%	1.58% ⁴
Total expenses after fees waived and/or paid indirectly	1.61%	1.56%	1.67%	1.72%	1.58% ⁴
Total expenses after fees waived and/or paid indirectly and excluding interest expense, fees and amortization of offering costs ⁵	0.96%	0.98%	1.00%	1.00%	1.08% ^{4,6}
Net investment income	5.45%	5.52%	6.04%	5.36%	5.94% ⁴
Distributions to AMPS Shareholders					0.08%
Net investment income to Common Shareholders	5.45%	5.52%	6.04%	5.36%	5.86%
Supplemental Data					
Net assets applicable to Common Shareholders, end of year (000)	\$ 131,739	\$ 126,696	\$ 125,647	\$ 115,287	\$ 133,160
VMTP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500	\$ 56,500
Asset coverage per VMTP Shares at \$100,000 liquidation value, end of year	\$ 333,167	\$ 324,240	\$ 322,384	\$ 304,049	\$ 335,681
Borrowings outstanding, end of year (000)	\$ 21,953	\$ 19,488	\$ 20,284	\$ 28,192	\$ 34,106
Portfolio turnover rate	21%	13%	32%	51%	43%

¹ Based on average Common Shares outstanding.

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- ² Distributions for annual periods determined in accordance with federal income tax regulations.
- ³ Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.
- ⁴ Does not reflect the effect of distributions to AMPS Shareholders.
- ⁵ Interest expense, fees and amortization of offering costs related to TOBs and/or VMTP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.
- ⁶ For the year ended July 31, 2012 the total expense ratio after fees waived and/or paid indirectly and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 1.05%.

See Notes to Financial Statements.

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Financial Highlights

BlackRock MuniYield Michigan Quality Fund, Inc.
(MIY)

	Year Ended July 31,					
	2016	2015	2014	2013	2012	
Per Share Operating Performance						
Net asset value, beginning of year	\$ 15.48	\$ 15.24	\$ 14.16	\$ 16.18	\$ 14.63	
Net investment income ¹	0.79	0.83	0.86	0.90	0.87	
Net realized and unrealized gain (loss)	0.92	0.27	1.12	(2.00)	1.61	
Net increase (decrease) from investment operations	1.71	1.10	1.98	(1.10)	2.48	
Distributions to Common Shareholders from net investment income ²	(0.83)	(0.86)	(0.90)	(0.92)	(0.93)	
Net asset value, end of year	\$ 16.36	\$ 15.48	\$ 15.24	\$ 14.16	\$ 16.18	
Market price, end of year	\$ 15.38	\$ 13.22	\$ 13.47	\$ 12.57	\$ 16.05	
Total Return Applicable to Common Shareholders ³						
Based on net asset value	11.99%	8.08%	15.24%	(7.09)%	17.60%	
Based on market price	23.28%	4.43%	14.74%	(16.86)%	27.46%	
Ratios to Average Net Assets Applicable to Common Shareholders						
Total expenses	1.54% ⁴	1.52% ⁵	1.54%	1.50%	1.72%	
Total expenses after fees waived and/or reimbursed and/or paid indirectly	1.54% ⁴	1.48% ⁵	1.54%	1.50%	1.72%	
Total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs ⁶	0.93% ⁴	0.93% ⁵	0.93%	0.89%	1.38% ⁷	
Net investment income to Common Shareholders	5.02%	5.30%	5.94%	5.62%	5.65%	
Supplemental Data						
Net assets applicable to Common Shareholders, end of year (000)	\$ 483,968	\$ 282,534	\$ 278,143	\$ 258,341	\$ 294,804	
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 231,900	\$ 144,600	\$ 144,600	\$ 144,600	\$ 144,600	
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 308,697	\$ 295,390	\$ 292,354	\$ 278,659	\$ 303,876	
Borrowings outstanding, end of year (000)	\$ 51,227	\$ 23,487	\$ 23,487	\$ 34,876	\$ 29,568	
Portfolio turnover rate	19%	19%	16%	17%	19%	

¹ Based on average Common Shares outstanding.² Distributions for annual periods determined in accordance with federal income tax regulations.

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Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

- ⁴ Includes reorganization costs associated with the Fund's reorganization. Without these costs total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.49%, 1.49% and 0.88%, respectively.
- ⁵ Includes reorganization costs associated with the Fund's reorganization. Without these costs total expenses, total expenses after fees waived and/or reimbursed and/or paid indirectly and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.48%, 1.48% and 0.92%, respectively.
- ⁶ Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.
- ⁷ For the year ended July 31, 2012, the total expense ratio after fees waived and/or reimbursed and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.98%.

See Notes to Financial Statements.

Financial Highlights

BlackRock MuniYield Pennsylvania Quality Fund (MPA)

	Year Ended July 31,				
	2016	2015	2014	2013	2012
Per Share Operating Performance					
Net asset value, beginning of year	\$ 15.77	\$ 15.77	\$ 14.59	\$ 16.57	\$ 14.97
Net investment income ¹	0.80	0.81	0.87	0.90	0.85
Net realized and unrealized gain (loss)	1.02	0.07	1.20	(1.99)	1.66
Net increase (decrease) from investment operations	1.82	0.88	2.07	(1.09)	2.51
Distributions to Common Shareholders from net investment income ²	(0.83)	(0.88)	(0.89)	(0.89)	(0.91)
Net asset value, end of year	\$ 16.76	\$ 15.77	\$ 15.77	\$ 14.59	\$ 16.57
Market price, end of year	\$ 16.07	\$ 13.50	\$ 13.89	\$ 13.07	\$ 15.98
Total Return Applicable to Common Shareholders³					
Based on net asset value	12.38%	6.33%	15.39%	(6.78)%	17.34%
Based on market price	25.87%	3.34%	13.45%	(13.42)%	21.53%
Ratios to Average Net Assets Applicable to Common Shareholders					
Total expenses	1.46%	1.54% ⁴	1.48%	1.53%	1.65%
Total expenses after fees waived and/or reimbursed and/or paid indirectly	1.46%	1.45% ⁴	1.48%	1.53%	1.65%
Total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs ⁵	0.89%	0.96% ⁴	0.95%	0.94%	1.28% ⁶
Net investment income to Common Shareholders	4.98%	5.05%	5.79%	5.46%	5.38%
Supplemental Data					
Net assets applicable to Common Shareholders, end of year (000)	\$ 223,738	\$ 210,549	\$ 181,459	\$ 167,857	\$ 190,562
VRDP Shares outstanding at \$100,000 liquidation value, end of year (000)	\$ 82,600	\$ 82,600	\$ 66,300	\$ 66,300	\$ 66,300
Asset coverage per VRDP Shares at \$100,000 liquidation value, end of year	\$ 370,869	\$ 354,901	\$ 373,693	\$ 353,178	\$ 387,425
Borrowings outstanding, end of year (000)	\$ 48,710	\$ 28,468	\$ 37,066	\$ 53,010	\$ 50,860
Portfolio turnover rate	17%	21%	16%	8%	23%

¹ Based on average Common Shares outstanding.

² Distributions for annual periods determined in accordance with federal income tax regulations.

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Total returns based on market price, which can be significantly greater or less than the net asset value, may result in substantially different returns. Where applicable, excludes the effects of any sales charges and assumes the reinvestment of distributions.

- ⁴ Includes reorganization costs associated with the Fund's reorganization. Without these costs total expenses, total expenses after fees waived and/or reimbursed, and total expenses after fees waived and/or reimbursed and/or paid indirectly and excluding interest expense, fees and amortization of offering costs would have been 1.40%, 1.40% and 0.91%, respectively.
- ⁵ Interest expense, fees and amortization of offering costs related to TOB Trusts and/or VRDP Shares. See Note 4 and Note 10 of the Notes to Financial Statements for details.
- ⁶ For the year ended July 31, 2012, the total expense ratio after fees waived and/or reimbursed and excluding interest expense, fees, amortization of offering costs, liquidity and remarketing fees was 0.99%.

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Notes to Financial Statements

1. Organization:

The following are registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as closed-end management investment companies and are referred to herein collectively as the "Funds", or individually, a "Fund":

Fund Name	Herein Referred To As	Organized	Diversification Classification
BlackRock MuniHoldings California Quality Fund, Inc.	MUC	Maryland	Non-diversified
BlackRock MuniHoldings New Jersey Quality Fund, Inc.	MUJ	Maryland	Non-diversified
BlackRock MuniYield Investment Quality Fund, Inc.	MFT	Massachusetts	Non-diversified
BlackRock MuniYield Michigan Quality Fund, Inc.	MIY	Maryland	Non-diversified
BlackRock MuniYield Pennsylvania Quality Fund, Inc.	MPA	Massachusetts	Non-diversified

The Boards of Directors/Trustees of the Funds are collectively referred to throughout this report as the "Board of Directors" or the "Board", and the directors thereof are collectively referred to throughout this report as "Directors". The Funds determine and make available for publication the NAVs of their Common Shares on a daily basis.

The Funds, together with certain other registered investment companies advised by BlackRock Advisors, LLC (the "Manager") or its affiliates, are included in a complex of closed-end funds referred to as the Closed-End Complex.

Reorganization: The Board and shareholders of MIY and the Board and shareholders of BlackRock MuniYield Michigan Quality Fund II, Inc. ("MYM") approved the reorganization of MYM into MIY. As a result, MIY acquired substantially all of the assets and assumed substantially all of the liabilities of MYM in exchange for an equal aggregate value of newly-issued Common Shares and Preferred Shares of MIY.

Each MYM Common Shareholder received Common Shares of MIY in an amount equal to the aggregate NAV of such Common Shareholder's MYM Common Shares, as determined at the close of business on September 11, 2015, less the costs of MYM's reorganization. Cash was distributed for any fractional Common Shares.

Each MYM VRDP Shareholder received on a one-for-one basis one newly issued VRDP Share of MIY, par value \$0.10 per share and with a liquidation preference of \$100,000 per share, in exchange for each MYM VRDP Share held by such MYM VRDP Shareholder.

The reorganization was accomplished by a tax-free exchange of Common Shares and VRDP Shares of MIY in the following amounts and at the following conversion ratios:

Target Fund	Shares Prior to Reorganization	Conversion Ratio	Shares of MIY
MYM Common Shares	12,098,420	0.93643508	11,329,360
MYM VRDP Shares	873	1	873

MYM's common net assets and composition of common net assets on September 11, 2015, the valuation date of the reorganization, were as follows:

	MYM
Net assets Applicable to Common Shares	\$ 173,278,358
Paid-in-capital	\$ 162,329,528
Undistributed net investment income	\$ 63,895
Accumulated net realized loss	\$ (4,955,955)
Net unrealized appreciation (depreciation)	\$ 15,840,890

For financial reporting purposes, assets received and shares issued by MIY were recorded at fair value. However, the cost basis of the investments received from MYM were carried forward to align ongoing reporting of MIY's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

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The net assets of the MIY before the acquisition were \$279,109,521. The aggregate net assets of MIY immediately after the acquisition amounted to \$452,388,270. MYM's fair value and cost of investments and derivative financial instruments prior to the reorganization were as follows:

	Fair Value of Investments and Derivative Financial Instruments	Cost of Investments	TOB Trust Certificates	Preferred Shares Value
MIY	\$ 268,842,773	\$ 253,001,883	\$ 14,792,998	\$ 87,300,000

The purpose of these transactions was to combine two funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. The reorganization was a tax-free event and was effective on September 14, 2015.

Notes to Financial Statements (continued)

Assuming the acquisition had been completed on August 1, 2015, the beginning of the fiscal reporting period of MIY, the pro forma results of operations for the year ended July 31, 2016, are as follows:

Net investment income/loss: \$23,313,730

Net realized and change in unrealized gain (loss) on investments: \$27,369,663

Net increase in net assets resulting from operations: \$50,683,393

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of MYM that have been included in MIY's Statement of Operations since September 14, 2015.

Reorganization costs incurred in connection with the MYM reorganization were expensed by MIY.

The Board and shareholders of MUJ and the Board and shareholders of BlackRock MuniYield New Jersey Quality Fund, Inc. (MJJ) approved the reorganization of MJJ into MUJ. As a result, MUJ acquired substantially all of the assets and assumed substantially all of the liabilities of MJJ in exchange for an equal aggregate value of newly-issued Common Shares of MUJ. The purpose of the transaction was to combine two funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. The reorganization was a tax-free event and was effective on April 13, 2015.

Each MJJ Common Shareholder received Common Shares of MUJ in an amount equal to the aggregate NAV of such Common Shareholder's Common Shares, as determined at the close of business on April 10, 2015. Cash was distributed for any fractional Common Shares.

Each MJJ VRDP Shareholder received on a one-for-one basis one newly issued VRDP Share of MUJ, par value \$0.10 per share and with a liquidation preference of \$100,000 per share, in exchange for each MJJ VRDP Share held by such MJJ VRDP Shareholder.

The reorganization was accomplished by a tax-free exchange of Common Shares and VRDP Shares of MUJ in the following amounts and at the following conversion ratios:

	Shares Prior to Reorganization	Conversion Ratio	Shares of MUJ
MJJ Common Shares	8,895,127	0.99469981	8,847,944
MJJ VRDP Shares	644	1	644

MJJ's common net assets and composition of common net assets on April 10, 2015, the valuation date of the reorganization, was as follows:

	MJJ
Net assets Applicable to Common Shares	\$ 141,228,164
Paid-in-capital	\$ 125,203,503
Undistributed net investment income	\$ 359,403
Accumulated net realized loss	\$ (2,924,235)
Net unrealized appreciation (depreciation)	\$ 18,589,493

For financial reporting purposes, assets received and shares issued by MUJ were recorded at fair value. However, the cost basis of the investments received from MJJ were carried forward to align ongoing reporting of MUJ's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

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The net assets applicable to Common Shareholders of MUJ before the acquisition were \$340,079,718. The aggregate net assets of MUJ immediately after the acquisition amounted to \$481,307,882. The following key components of MJI prior to the reorganization were as follows:

	Fair Value of Investments and Derivative Financial Instruments	Cost of Investments	TOB Trust Certificates	Preferred Shares Value
MJI	\$ 219,532,138	\$ 200,972,102	\$ 18,044,269	\$ 64,400,000

Assuming the acquisition had been completed on August 1, 2014, the beginning of the fiscal reporting period of MUJ, the pro forma results of operations for the year ended July 31, 2015, are as follows:

Net investment income: \$25,519,981

Net realized and change in unrealized gain (loss) on investments: \$(1,461,068)

Net increase in net assets resulting from operations: \$24,058,913

Notes to Financial Statements (continued)

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of MJJ that have been included in MUJ's Statement of Operations since April 13, 2015.

Reorganization costs incurred in connection with the MJJ reorganization were expensed by MUJ.

The Board and shareholders of MPA and the Board and shareholders of BlackRock Pennsylvania Strategic Municipal Trust (BPS) approved the reorganization of BPS into MPA. As a result, MPA acquired substantially all of the assets and assumed substantially all of the liabilities of BPS in exchange for an equal aggregate value of newly-issued Common Shares of MPA. The purpose of the transaction was to combine two funds managed by the Manager with the same or substantially similar (but not identical) investment objectives, investment policies, strategies, risks and restrictions. The reorganization was a tax-free event and was effective on April 13, 2015.

Each BPS Common Shareholder received Common Shares of MPA in an amount equal to the aggregate NAV of such Common Shareholder's Common Shares, as determined at the close of business on April 10, 2015. Cash was distributed for any fractional Common Shares.

Each BPS VRDP Shareholder received on a one-for-one basis one newly issued VRDP Share of MPA, par value \$0.05 per share and with a liquidation preference of \$100,000 per share, in exchange for each BPS VRDP Share held by such BPS VRDP Shareholder.

The reorganization was accomplished by a tax-free exchange of common shares and VRDP Shares of MPA in the following amounts and at the following conversion ratios:

	Shares Prior to Reorganization	Conversion Ratio	Shares of MPA
BPS Common Shares	2,032,115	0.90936725	1,847,932
BPS VRDP Shares	163	1	163

BPS's common net assets and composition of common net assets on April 10, 2015, the valuation date of the reorganization, was as follows:

	BPS
Net assets Applicable to Common Shares	\$ 29,666,266
Paid-in-capital	\$ 28,259,598
Undistributed net investment income	\$ 37,581
Accumulated net realized loss	\$ (2,559,411)
Net unrealized appreciation (depreciation)	\$ 3,928,498

For financial reporting purposes, assets received and shares issued by MPA were recorded at fair value. However, the cost basis of the investments received from BPS were carried forward to align ongoing reporting of MPA's realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

The net assets applicable to common shareholders of MPA before the acquisition were \$184,689,308. The aggregate net assets of MPA immediately after the acquisition amounted to \$214,355,574. The following key components of BPS prior to the reorganization were as follows:

	Fair Value of Investments and Derivative Financial Instruments	Cost of Investments	TOB Trust Certificates	Preferred Shares Value
BPS	\$ 46,378,342	\$ 42,453,248	\$ 1,543,441	\$ 16,300,000

Assuming the acquisition had been completed on August 1, 2014, the beginning of the fiscal reporting period of MPA, the pro forma results of operations for the year ended July 31, 2015, are as follows:

Net investment income: \$10,513,377

Net realized and change in unrealized gain (loss) on investments: \$1,230,564

Net increase in net assets resulting from operations: \$11,743,941

Because the combined investment portfolios have been managed as a single integrated portfolio since the acquisition was completed, it is not practicable to separate the amounts of revenue and earnings of BPS that have been included in MPA's Statement of Operations since April 13, 2015.

Reorganization costs incurred in connection with the BPS reorganization were expensed by MPA.

Notes to Financial Statements (continued)

2. Significant Accounting Policies:

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), which may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the financial statements, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates. Each Fund is considered an investment company under U.S. GAAP and follows the accounting and reporting guidance applicable to investment companies. Below is a summary of significant accounting policies:

Segregation and Collateralization: In cases where a Fund enters into certain investments (e.g., futures contracts) or certain borrowings (e.g., TOB Trust transactions) that would be treated as senior securities for 1940 Act purposes, a Fund may segregate or designate on its books and records cash or liquid assets having a market value at least equal to the amount of its future obligations under such investments or borrowings. Doing so allows the investment or borrowing to be excluded from treatment as a senior security. Furthermore, if required by an exchange or counterparty agreement, the Funds may be required to deliver/deposit cash and/or securities to/with an exchange, or broker-dealer or custodian as collateral for certain investments or obligations.

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

Distributions: Distributions from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend date and made at least annually. The character and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP. Distributions to Preferred Shareholders are accrued and determined as described in Note 10.

Deferred Compensation Plan: Under the Deferred Compensation Plan (the Plan) approved by each Fund's Board, the independent Directors (Independent Directors) may defer a portion of their annual complex-wide compensation. Deferred amounts earn an approximate return as though equivalent dollar amounts had been invested in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors. This has the same economic effect for the Independent Directors as if the Independent Directors had invested the deferred amounts directly in certain other BlackRock Closed-End Funds.

The Plan is not funded and obligations thereunder represent general unsecured claims against the general assets of each Fund, if applicable. Deferred compensation liabilities are included in Officer's and Directors' fees payable in the Statements of Assets and Liabilities and will remain as a liability of the Funds until such amounts are distributed in accordance with the Plan.

Recent Accounting Standard: The Funds have adopted the Financial Accounting Standards Board Accounting Standards Updates, Simplifying the Presentation of Debt Issuance Costs. Under the new standard, a Fund is required to present such costs in the Statements of Assets and Liabilities as a direct deduction from the carrying value of the related debt liability. This change in accounting policy had no impact on the net assets of the Funds.

The deferred offering costs that are now presented as a deduction from VRDP Shares at liquidation value in the Statements of Assets and Liabilities and amortization included in interest expense, fees and amortization of offering costs in the Statements of Operations are as follows:

	MUC	MUJ	MFT	MIY	MPA
Deferred offering costs		\$ 510,218		\$ 443,453	\$ 280,384
Amortization of deferred offering costs		\$ 19,094		\$ 9,611	\$ 11,166

Indemnifications: In the normal course of business, a Fund enters into contracts that contain a variety of representations that provide general indemnification. A Fund's maximum exposure under these arrangements is unknown because it involves future potential claims against a Fund, which cannot be predicted with any certainty.

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

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Through May 31, 2016, the Funds had an arrangement with their custodian whereby credits were earned on uninvested cash balances, which could be used to reduce custody fees and/or overdraft charges. Credits previously earned may be utilized until December 31, 2016. Under current arrangements effective June 1, 2016, the Funds no longer earn credits on uninvested cash, and may incur charges on uninvested cash balances and overdrafts, subject to certain conditions.

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Notes to Financial Statements (continued)

3. Investment Valuation and Fair Value Measurements:

Investment Valuation Policies: The Funds' investments are valued at fair value (also referred to as "market value" within the financial statements) as of the close of trading on the New York Stock Exchange ("NYSE") (generally 4:00 p.m., Eastern time) (or if the reporting date falls on a day the NYSE is closed, investments are valued at fair value as of the report date). U.S. GAAP defines fair value as the price the Funds would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The Funds determine the fair values of their financial instruments using various independent dealers or pricing services under policies approved by the Board. The BlackRock Global Valuation Methodologies Committee (the "Global Valuation Committee") is the committee formed by management to develop global pricing policies and procedures and to oversee the pricing function for all financial instruments.

Fair Value Inputs and Methodologies: The following methods (or "techniques") and inputs are used to establish the fair value of each Fund's assets and liabilities:

Municipal investments (including commitments to purchase such investments on a "when-issued" basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments.

Investments in open-end U.S. mutual funds are valued at NAV each business day.

Futures contracts traded on exchanges are valued at their last sale price.

If events (e.g., a company announcement, market volatility or a natural disaster) occur that are expected to materially affect the value of such instruments, or in the event that the application of these methods of valuation results in a price for an investment that is deemed not to be representative of the market value of such investment, or if a price is not available, the investment will be valued by the Global Valuation Committee, or its delegate, in accordance with a policy approved by the Board as reflecting fair value ("Fair Valued Investments"). When determining the price for Fair Valued Investments, the Global Valuation Committee, or its delegate, seeks to determine the price that each Fund might reasonably expect to receive or pay from the current sale or purchase of that asset or liability in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the Global Valuation Committee, or its delegate, deems relevant consistent with the principles of fair value measurement. The pricing of all Fair Valued Investments is subsequently reported to the Board or a committee thereof on a quarterly basis.

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

Level 1 — unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 — other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates) or other market corroborated inputs)

Level 3 — unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments and derivative financial instruments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. The significant unobservable inputs used by the Global Valuation Committee in determining the price for Fair Valued Investments are typically categorized as Level 3. The fair value hierarchy for each Fund's investments and derivative financial instruments has been included in the Schedules of Investments.

Changes in valuation techniques may result in transfers into or out of an assigned level within the hierarchy. In accordance with each Fund's policy, transfers between different levels of the fair value hierarchy are deemed to have occurred as of the beginning of the reporting period. The categorization of a value determined for investments and derivative financial instruments is based on the pricing transparency of the investments and derivative financial instruments and is not necessarily an indication of the risks associated with investing in those securities.

4. Securities and Other Investments:

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

Notes to Financial Statements (continued)

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

Municipal Bonds Transferred to TOB Trusts: The Funds leverage their assets through the use of TOB Trust transactions. The Funds transfer municipal bonds into a special purpose trust (a TOB Trust). A TOB Trust generally issues two classes of beneficial interests: short-term floating rate interests (TOB Trust Certificates), which are sold to third party investors, and residual inverse floating rate interests (TOB Residuals), which are generally issued to the participating fund that contributed the municipal bonds to the TOB Trust. The TOB Trust Certificates have interest rates that generally reset weekly and their holders have the option to tender such certificates to the TOB Trust for redemption at par and any accrued interest at each reset date. The TOB Residuals held by a Fund generally provide the Fund with the right to cause the holders of a proportional share of the TOB Trust Certificates to tender their certificates to the TOB Trust at par plus accrued interest. The Funds may withdraw a corresponding share of the municipal bonds from the TOB Trust. Other funds managed by the investment adviser may also contribute municipal bonds to a TOB Trust into which a Fund has contributed bonds. If multiple BlackRock advised funds participate in the same TOB Trust, the economic rights and obligations under the TOB Residuals will be shared among the funds ratably in proportion to their participation in the TOB Trust.

TOB Trusts are generally supported by a liquidity facility provided by a third party bank or other financial institution (the Liquidity Provider) that allows the holders of the TOB Trust Certificates to tender their certificates in exchange for payment of par plus accrued interest on any business day. The tendered TOB Trust Certificates may be purchased by the Liquidity Provider and are usually remarketed by a Remarketing Agent, which is typically an affiliated entity of the Liquidity Provider. The Remarketing Agent may also purchase the tendered TOB Trust Certificates for its own account in the event of a failed remarketing.

The TOB Trust may be collapsed without the consent of a Fund, upon the occurrence of tender option termination events (TOTEs) or mandatory termination events (MTEs), as defined in the TOB Trust agreements. TOTEs include the bankruptcy or default of the issuer of the municipal bonds held in the TOB Trust, a substantial downgrade in the credit quality of the issuer of the municipal bonds held in the TOB Trust, failure of any scheduled payment of principal or interest on the municipal bonds, and/or a judgment or ruling that interest on the municipal bond is subject to federal income taxation. MTEs may include, among other things, a failed remarketing of the TOB Trust Certificates, the inability of the TOB Trust to obtain renewal of the liquidity support agreement and a substantial decline in the market value of the municipal bonds held in the TOB Trust. Upon the occurrence of a TOTE or an MTE, the TOB Trust would be liquidated with the proceeds applied first to any accrued fees owed to the trustee of the TOB Trust, the Remarketing Agent and the Liquidity Provider. In the case of an MTE, after the payment of fees, the TOB Trust Certificates holders would be paid before the TOB Residuals holders (i.e., the Funds). In contrast, in the case of a TOTE, after payment of fees, the TOB Trust Certificates holders and the TOB Residuals holders would be paid pro rata in proportion to the respective face values of their certificates. During the year ended July 31, 2016, no TOB Trusts in which a Fund participated were terminated without the consent of a Fund.

While a Fund's investment policies and restrictions expressly permit investments in inverse floating rate securities, such as TOB Residuals, they generally restrict the ability of a Fund to borrow money for purposes of making investments. The Funds' management believes that a Fund's restrictions on borrowings do not apply to the Funds' TOB Trust transactions. Each Fund's transfer of the municipal bonds to a TOB Trust is considered a secured borrowing for financial reporting purposes. The cash received by the TOB Trust from the sale of the TOB Trust Certificates, less certain transaction expenses, is paid to a Fund. A Fund typically invests the cash received in additional municipal bonds. The municipal bonds deposited into a TOB Trust are presented in a Fund's Schedule of Investments and the TOB Trust Certificates are shown in Other Liabilities in the Statements of Assets and Liabilities. Any loans drawn by the TOB Trust pursuant to the liquidity facility to purchase tendered TOB Trust Certificates would be shown as Loan for TOB Trust Certificates.

Volcker Rule Impact: On December 10, 2013, regulators published final rules implementing section 619 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Volcker Rule), which precludes banking entities and their affiliates from sponsoring and investing in TOB Trusts. Banking entities subject to the Volcker Rule were required to fully comply by July 21, 2015, with respect to investments in and relationships with TOB Trusts established after December 31, 2013 (Non-Legacy TOB Trusts), and by July 21, 2017, with respect to investments in and relationships with TOB Trusts established prior to December 31, 2013 (Legacy TOB Trusts).

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As a result, a new structure for TOB Trusts has been designed in which no banking entity would sponsor the TOB Trust. Specifically, a Fund establishes, structures and sponsors the TOB Trusts in which it holds TOB Residuals. In such a structure, certain responsibilities that previously belonged to a third party bank are performed by, or on behalf of, the Funds. The Funds have restructured any Non-Legacy TOB Trusts and are in the process of restructuring Legacy TOB Trusts in conformity with regulatory guidelines. Until all restructurings are completed, a Fund may, for a period of time, hold TOB Residuals in both Legacy TOB Trusts and new or restructured non-bank sponsored TOB Trusts.

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Notes to Financial Statements (continued)

Under the new TOB Trust structure, the Liquidity Provider or Remarketing Agent will no longer purchase the tendered TOB Trust Certificates even in the event of failed remarketing. This may increase the likelihood that a TOB Trust will need to be collapsed and liquidated in order to purchase the tendered TOB Trust Certificates. The TOB Trust may draw upon a loan from the Liquidity Provider to purchase the tendered TOB Trust Certificates. Any loans made by the Liquidity Provider will be secured by the purchased TOB Trust Certificates held by the TOB Trust and will be subject to an increased interest rate based on the number of days the loan is outstanding.

Accounting for TOB Trusts: The municipal bonds deposited into a TOB Trust are presented in a Fund's Schedule of Investments and the TOB Trust Certificates are shown in Other Liabilities in the Statements of Assets and Liabilities. Any loans drawn by the TOB Trust pursuant to the liquidity facility to purchase tendered TOB Trust Certificates are shown as Loan for TOB Trust Certificates. The carrying amount of a Fund's payable to the holder of the TOB Trust Certificates, as reported in the Statements of Assets and Liabilities as TOB Trust Certificates or Loan for TOB Trust Certificates, approximates its fair value.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by a Fund on an accrual basis. Interest expense incurred on the TOB Trust transaction and other expenses related to remarketing, administration, trustee, liquidity and other services to a TOB Trust are shown as interest expense, fees and amortization of offering costs in the Statements of Operations. Fees paid upon creation of the TOB Trust are recorded as debt issuance costs and are amortized to interest expense, fees and amortization of offering costs in the Statements of Operations to the expected maturity of the TOB Trust. In connection with the restructurings of the TOB Trusts to non-bank sponsored TOB Trusts, a Fund incurred non-recurring, legal and restructuring fees, which are recorded as interest expense, fees and amortization of deferred offering costs in the Statements of Operations.

For the year ended July 31, 2016, the following table is a summary of each Fund's TOB Trusts:

	Underlying Municipal Bonds Transferred to TOB Trusts ¹	Liability for TOB Trust Certificates ²	Range of Interest Rates on TOB Trust Certificates at Period-End	Average TOB Trust Certificates Outstanding	Daily Weighted Average Rate of Interest and Other Expenses on TOB Trusts
MUC	\$ 387,730,806	\$ 169,698,729	0.46% - 0.64%	\$ 166,875,080	0.78%
MUJ	\$ 103,908,071	\$ 55,088,706	0.47% - 0.64%	\$ 53,272,969	0.84%
MFT	\$ 41,806,347	\$ 21,953,285	0.47% - 0.64%	\$ 19,838,202	0.82%
MIY	\$ 106,102,731	\$ 51,227,057	0.45% - 0.64%	\$ 42,991,815	0.76%
MPA	\$ 90,725,414	\$ 48,709,782	0.47% - 0.54%	\$ 39,212,420	0.79%

¹ The municipal bonds transferred to a TOB Trust are generally high grade municipal bonds. In certain cases, when municipal bonds transferred are lower grade municipal bonds, the TOB Trust transaction may include a credit enhancement feature that provides for the timely payment of principal and interest on the bonds to the TOB Trust by a credit enhancement provider in the event of default of the municipal bond. The TOB Trust would be responsible for the payment of the credit enhancement fee and the Funds, as TOB Residuals holders, would be responsible for reimbursement of any payments of principal and interest made by the credit enhancement provider. The municipal bonds transferred to TOB Trusts with a credit enhancement are identified in the Schedules of Investments including the maximum potential amounts owed by the Funds.

² The Funds may invest in TOB Trusts that are structured on a non-recourse or recourse basis. When a Fund invests in TOB Trusts on a non-recourse basis, the Liquidity Provider may be required to make a payment under the liquidity facility. In such an event, the Liquidity Provider will typically either (i) fund the full amount owed under the liquidity facility and be subsequently reimbursed from only the proceeds of the liquidation of all or a portion of the municipal bonds held in the TOB Trust or the remarketing of the TOB Trust Certificates, or (ii) liquidate all or a portion of the municipal bonds held in the TOB Trust and then fund the balance, if any, of the amount owed under the liquidity facility over the liquidation proceeds (the "Liquidation Shortfall"). If a Fund invests in a TOB Trust on a recourse basis, a Fund will usually enter into a reimbursement agreement with the Liquidity Provider where a Fund is required to reimburse the Liquidity Provider the amount of any Liquidation Shortfall. As a result, if a Fund invests in a recourse TOB Trust, a Fund will bear the risk of loss with respect to any Liquidation Shortfall. If multiple funds participate in any such TOB Trust, these losses will be shared ratably, including the maximum potential amounts owed by a Fund at July 31, 2016, in proportion to its participation in the TOB Trust. The recourse TOB Trusts are identified in the Schedules of Investments including the maximum potential amounts owed by a Fund at July 31, 2016.

For the year ended July 31, 2016, the following table is a summary of each Fund's Loan for TOB Trust Certificates:

	Loan Outstanding at Period-End	Interest Rates on Loans at Period-End	Average Loan Outstanding	Daily Weighted Average Rate of Interest and Other Expenses on Loan
MUC			\$ 760,989	0.78%
MIY			\$ 994,895	0.84%

5. Derivative Financial Instruments:

The Funds engage in various portfolio investment strategies using derivative contracts both to increase the returns of the Funds and/or to manage their exposure to certain risks such as interest rate risk. Derivative financial instruments categorized by risk exposure are included in the Schedules of Investments. These contracts may be transacted on an exchange.

Futures Contracts: Certain Funds invests in long and/or short positions in futures and options on futures contracts to gain exposure to, or manage exposure to, changes in interest rates (interest rate risk).

Futures contracts are agreements between the Funds and a counterparty to buy or sell a specific quantity of an underlying instrument at a specified price and on a specified date. Depending on the terms of a contract, it is settled either through physical delivery of the underlying instrument on the settlement

Notes to Financial Statements (continued)

date or by payment of a cash amount on the settlement date. Upon entering into a futures contract, the Funds are required to deposit initial margin with the broker in the form of cash or securities in an amount that varies depending on a contract's size and risk profile. The initial margin deposit must then be maintained at an established level over the life of the contract.

Securities deposited as initial margin are designated in the Schedules of Investments and cash deposited, if any, is shown as cash pledged for futures contracts in the Statements of Assets and Liabilities. Pursuant to the contract, the Funds agree to receive from or pay to the broker an amount of cash equal to the daily fluctuation in market value of the contract (variation margin). Variation margin is recorded as unrealized appreciation (depreciation) and, if any, shown as variation margin receivable (or payable) on futures contracts in the Statements of Assets and Liabilities. When the contract is closed, a realized gain or loss is recorded in the Statements of Operations equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed. The use of futures contracts involves the risk of an imperfect correlation in the movements in the price of futures contracts and interest, foreign currency exchange rates or underlying assets.

6. Investment Advisory Agreement and Other Transactions with Affiliates:

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

Investment Advisory

Each Fund entered into an Investment Advisory Agreement with the Manager, the Funds' investment adviser, an indirect, wholly owned subsidiary of BlackRock, to provide investment advisory and administration services. The Manager is responsible for the management of each Fund's portfolio and provides the personnel, facilities, equipment and certain other services necessary to the operations of each Fund.

For such services, each Fund pays the Manager a monthly fee, which is determined by calculating a percentage of each Fund's average daily net assets, plus the proceeds of any debt securities or outstanding borrowings used for leverage, based on the following annual rates:

	MUC	MUJ	MFT	MIY	MPA
Investment advisory fee	0.55%	0.50%	0.50%	0.49%	0.49%
Net assets mean the total assets of the Fund minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of preferred shares (other than accumulated dividends)).					

Prior to September 14, 2015, the annual rate as a percentage of average daily net assets for MIY was 0.50%.

Waivers

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds. These amounts are included in fees waived by the Manager in the Statements of Operations. However, the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid in connection with each Fund's investments in other affiliated investment companies, if any. For the year ended July 31, 2016 the amounts waived were as follows:

	MUC	MUJ	MFT	MIY	MPA
Amounts waived	\$ 3,127	\$ 2,200	\$ 205	\$ 1,692	\$ 948

The Manager, for MUC, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOB Trusts that exceed 35% of total assets minus the sum of its accrued liabilities (which does not include liabilities represented by TOB Trusts and the liquidation preference of preferred shares). This amount is included in fees waived by the Manager in the Statements of Operations. For the year ended July 31, 2016 the amount waived were as follows:

Amount waived	MUC
Officers and Directors	\$ 365,649

Certain officers and/or directors of the Funds are officers and/or directors of BlackRock or its affiliates. The Funds reimburse the Manager for a portion of the compensation paid to the Funds Chief Compliance Officer, which is included in Officer and Directors in the Statements of Operations.

7. Purchases and Sales:

For the year ended July 31, 2016, purchases and sales of investments, excluding short-term securities, were as follows:

	MUC	MUJ	MFT	MIY	MPA
Purchases	\$ 242,544,976	\$ 71,386,450	\$ 48,813,613	\$ 141,341,187	\$ 90,496,067
Sales	\$ 225,117,447	\$ 76,461,666	\$ 42,869,396	\$ 128,196,920	\$ 57,309,511

Notes to Financial Statements (continued)

8. Income Tax Information:

It is the Funds' policy to comply with the requirements of the Internal Revenue Code of 1986, as amended, applicable to regulated investment companies, and to distribute substantially all of their taxable income to their shareholders. Therefore, no federal income tax provision is required.

Each Fund files U.S. federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on each Fund's U.S. federal tax returns generally remains open for each of the four years ended July 31, 2016. The statutes of limitations on each Fund's state and local tax returns may remain open for an additional year depending upon the jurisdiction.

Management has analyzed tax laws and regulations and their application to the Funds as of July 31, 2016, inclusive of the open tax return years, and does not believe there are any uncertain tax positions that require recognition of a tax liability in the Funds' financial statements.

US GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net assets or net asset values per share. As of July 31, 2016, the following permanent differences attributable to amortization methods on fixed income securities, non-deductible expenses, the expiration of capital loss carryforwards, distributions received from a regulated investment company and the sale of bonds received from TOB Trusts were reclassified to the following accounts:

	MUC	MUJ	MFT	MIY	MPA
Paid-in capital		\$ (19,092)		\$ (2,604,816)	\$ (609,570)
Undistributed net investment income	\$ 389,843	\$ (44,713)	\$ 479	\$ (127,151)	\$ (88,434)
Accumulated net realized loss	\$ (389,843)	\$ 63,805	\$ (479)	\$ 2,731,967	\$ 698,004

The tax character of distributions paid was as follows:

		MUC	MUJ	MFT	MIY	MPA
Tax-exempt income ¹	7/31/2016	\$ 35,447,940	\$ 28,555,112	\$ 7,871,314	\$ 24,757,593	\$ 11,948,617
	7/31/2015	36,126,153	21,646,307	7,809,305	17,143,713	11,107,843
Ordinary income ²	7/31/2016	15,155	237,316	7	41	4,471
	7/31/2015	293	3,425	281	256	2,914
Total	7/31/2016	\$ 35,463,095	\$ 28,792,428	\$ 7,871,321	\$ 24,757,634	\$ 11,953,088
	7/31/2015	\$ 36,126,446	\$ 21,649,732	\$ 7,809,586	\$ 17,143,969	\$ 11,110,757

¹ The Funds designate these amounts paid during the fiscal year ended July 31, 2016, as exempt-interest dividends.

² Ordinary income consists primarily of taxable income recognized from market discount. Additionally, all ordinary income distributions are comprised of interest related dividends for non-U.S. residents and are eligible for exemption from U.S. withholding tax for nonresident aliens and foreign corporations. As of July 31, 2016, the tax components of accumulated net earnings were as follows:

	MUC	MUJ	MFT	MIY	MPA
Undistributed tax-exempt income	\$ 4,380,750	\$ 3,593,061	\$ 1,516,659	\$ 1,984,005	\$ 227,141
Undistributed ordinary income		59,052		27,102	
Capital loss carryforwards	(7,220,588)	(7,192,954)	(11,322,126)	(8,612,975)	(5,194,551)

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Net unrealized gains ¹	94,033,634	78,471,586	23,678,388	69,534,087	31,432,568
Qualified late-year losses ²			(126,941)		
Total	\$ 91,193,796	\$ 74,930,745	\$ 13,745,980	\$ 62,932,219	\$ 26,465,158

¹ The difference between book-basis and tax-basis net unrealized gains was attributable primarily to the tax deferral of losses on wash sales and straddles, amortization methods of premiums and discounts on fixed income securities, the realization for tax purposes of unrealized gains/losses on certain futures contracts, the treatment of residual interests in tender option bond trusts and the deferral of compensation to Directors.

² The Fund has elected to defer certain qualified late-year losses and recognize such losses in the next taxable year.
As of July 31, 2016, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates as follows:

Expires July 31,	MUC	MUJ	MFT	MIY	MPA
No expiration date ¹	\$ 715,648	\$ 7,192,954	\$ 6,705,444	\$ 6,581,843	\$ 2,596,823
2017	6,504,940			2,031,132	1,653,517
2018			4,616,682		