

PRUDENTIAL PLC  
Form F-3ASR  
October 03, 2014  
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As filed with the Securities and Exchange Commission on October 3, 2014

Registration No. 333-

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM F-3**  
**REGISTRATION STATEMENT**  
***UNDER***  
***THE SECURITIES ACT OF 1933***

**Prudential Public Limited Company**  
**(Exact Name of Registrant as Specified in Its Charter)**

**England and Wales**  
**(State or Other Jurisdiction of**  
**Incorporation or Organization)**

**Not applicable**  
**(I.R.S. Employer**  
**Identification No.)**

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**12 Arthur Street,**

**London EC4R 9AQ, England**

**+(44) 20 7220 7588**

**(Address and Telephone Number of Registrant's Principal Executive Offices)**

**Jackson National Life Insurance Company**

**1 Corporate Way**

**Lansing, MI 48951**

**(517) 887-5049**

**Attention: General Counsel**

**(Name, Address and Telephone Number of Agent For Service)**

*Copies to:*

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Cleary Gottlieb Steen & Hamilton LLP  
City Place House, 55 Basinghall Street  
London EC2V 5EH,  
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London EC2Y 9HR,  
England**

**Approximate date of commencement of proposed sale to the public:**

From time to time after the effective date of this Registration Statement as determined by market conditions.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box.

## Edgar Filing: PRUDENTIAL PLC - Form F-3ASR

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.    "

If this Form is filed as a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.    "

If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.    x

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.    "

### CALCULATION OF REGISTRATION FEE

<b>Title of Each Class Of Securities to be Registered</b>	<b>Amount to be Registered / Proposed Maximum Offering Price per Unit / Proposed Maximum Offering Price Per Unit / Proposed Maximum Aggregate Offering Price / Amount of Registration Fee<sup>(1)</sup></b>
Senior Debt Securities	
Subordinated Debt Securities	
Preference Shares <sup>(2)(3)</sup>	

- (1) An indeterminate aggregate initial offering price and number or amount of the securities of each identified class is being registered as may from time to time be sold at indeterminate prices. Separate consideration may or may not be received for securities that are issuable upon conversion of, or in exchange for, or upon exercise of, convertible or exchangeable securities. In accordance with Rules 456(b) and 457(r), the Registrant is deferring payment of all of the registration fee except, pursuant to Rule 457(p), for \$186,415, which dollar amount represents registration fees transferred pursuant to Rule 457(p) to Registration Statement No. 333-153367 filed on September 8, 2008, and subsequently to Registration Statement No. 333-177093 filed on September 30, 2011 using registration fees associated with unsold securities registered pursuant to Registration Statement No. 333-117208 filed on July 7, 2004.
- (2) Also includes such indeterminate amounts of Preference Shares as may be issued upon conversion of or in exchange for any Subordinated Debt Securities that provide for conversion or exchange into Preference Shares.
- (3) The Preference Shares will be represented by American Depositary Shares, each of which represents one Preference Share. American Depositary Shares issuable on deposit of the Preference Shares registered hereby have been registered pursuant to Registration Statement No. 333-117706.



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Prospectus

**Prudential plc**

**Senior Debt Securities**

**Subordinated Debt Securities**

**Preference Shares**

**American Depositary Shares**

We may from time to time offer to sell:

Senior Debt Securities;

Subordinated Debt Securities;

Preference Shares; and

American Depositary Shares.

This prospectus describes some of the general terms that may apply to these securities and the general manner in which they may be offered. We will provide the specific terms of the securities that we are offering and the manner in which they are offered in supplements to this prospectus. The prospectus supplements will also contain the names of any underwriters, dealers or agents involved in the sale of the securities, together with any applicable commissions or discounts. You should read this prospectus and any accompanying prospectus supplement carefully before you invest in any of these securities.

This prospectus may not be used to sell any securities unless accompanied by a prospectus supplement.

**Investing in the securities involves risks. You should carefully consider the risks discussed in Item 3 Risk Factors of Prudential's most recent annual report on Form 20-F and in any prospectus supplement accompanying this prospectus before you invest in any of these securities.**

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

**The date of this prospectus is October 3, 2014.**

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**ABOUT THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using the shelf registration process under the Securities Act of 1933, as amended (the Securities Act). Under the shelf registration process, we may sell the Senior Debt Securities, Subordinated Debt Securities, Preference Shares and American Depositary Shares (collectively, the securities) described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of the securities. The prospectus supplement may also add to or update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described under the heading Where You Can Find More Information.

As used in this prospectus and in your prospectus supplement, the terms Prudential, we, us and our each refer to Prudential plc.

In connection with any issue of securities through this prospectus, a stabilizing manager or any person acting for it may over-allot or effect transactions with a view to supporting the market price of such securities and any associated securities at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there will be no obligation on the stabilizing manager or any of its agents to do this. Such stabilizing, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

**FINANCIAL INFORMATION**

We have derived the financial data set forth in this prospectus from year-end figures in our audited consolidated financial statements and interim figures in our unaudited condensed consolidated interim financial statements. Both the audited consolidated financial statements and unaudited condensed consolidated interim financial statements from which such financial data was derived were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and as endorsed by the European Union (EU) (IFRS). The condensed financial statement schedule set forth in our most recent annual report on Form 20-F has been prepared in accordance with U.K. generally accepted accounting practice (U.K. GAAP).

Our consolidated financial statements are published in pounds sterling. In this prospectus and any prospectus supplement, U.S. dollars or \$ refers to U.S. currency, pounds sterling, £ or pence refers to U.K. currency, and € refers to the currency introduced at the start of the third stage of the Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

**LIMITATIONS ON ENFORCEMENT OF U.S. LAWS AGAINST US, OUR MANAGEMENT AND OTHERS**

We are an English public limited company. Most of our directors and executive officers (and the experts named in this prospectus or in documents incorporated by reference) are resident outside the United States, and a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may be difficult for you to effect service of process within the United States upon these persons or to enforce against them or us in U.S. courts judgments obtained in U.S. courts predicated upon the civil liability provisions of the federal securities laws of the United States. We have been advised by our English solicitors, Slaughter and



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May, that there is doubt as to enforceability in England and Wales, in original actions or in actions to enforce judgments of U.S. courts, of civil liabilities based on U.S. securities laws.

**EXCLUSIVE JURISDICTION**

Under our Articles of Association (the Articles ), any proceeding, suit or action between a shareholder and Prudential and/or our directors arising out of or in connection with the Articles or otherwise, between Prudential and any of our directors (to the fullest extent permitted by law), between a shareholder and our professional service providers and/or between Prudential and our professional service providers (to the extent such proceeding, suit or action arises in connection with a proceeding, suit or action between a shareholder and such professional service provider) may only be brought in the courts of England and Wales.

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**WHERE YOU CAN FIND MORE INFORMATION**

We file annual reports and special reports and other information with the SEC. You may read and copy any document we file with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 for further information on the public reference room. Documents that we file with the SEC are also available on the website maintained by the SEC at <http://www.sec.gov>. The address of the SEC's website is provided solely for the information of prospective investors and is not intended to be an active link.

The SEC allows us to incorporate by reference in this prospectus the information in the documents that we file with it, which means we can disclose important information to you by referring you to those documents. The information incorporated by reference in this prospectus is considered to be an integral part of this prospectus. We incorporate by reference in this prospectus the documents listed below:

our annual report on Form 20-F for the year ended December 31, 2013 (the 2013 20-F );

our Half Year Financial Report on Form 6-K furnished to the SEC on September 19, 2014;

any future annual reports on Form 20-F that we may file with the SEC under the Securities Exchange Act of 1934, as amended (the Exchange Act ), prior to the termination of any offering contemplated by this prospectus; and

any future reports on Form 6-K that we may furnish to the SEC under the Exchange Act, including future Half Year Financial Reports, but only to the extent that such reports expressly state that we incorporate them by reference herein.

All information appearing in this prospectus is qualified in its entirety by the information and financial statements, including the notes thereto, contained in the documents that we incorporate by reference herein. You may request a copy of these documents at no cost to you by writing or telephoning us at our principal executive offices, located at 12 Arthur Street, London EC4R 9AQ, England, (+44) 20 7220 7588, Attention: Group Secretarial.

Information in this prospectus may be modified by information included in subsequent Exchange Act filings that we incorporate by reference, the result of which is that only the information as modified will be part of this prospectus. Other information in the prospectus will not be affected by the replacement of this superseded information nor will an investor's ability to rely on such superseded information be affected, to the extent such reliance occurs prior to the delivery of the superseding information.

For further information regarding the ways in which we are regulated, including the details of how our regulatory capital is calculated for the purposes of the U.K. Prudential Regulation Authority (the PRA ), please refer to the Bank of England's website ([www.bankofengland.co.uk/pr](http://www.bankofengland.co.uk/pr)).

**Table of Contents****FORWARD-LOOKING STATEMENTS**

This prospectus, the documents incorporated by reference herein, and any accompanying prospectus supplements may contain forward-looking statements with respect to certain of Prudential's plans and its goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements that are not historical facts, including statements about Prudential's beliefs and expectations and including, without limitation, statements containing the words may, will, should, continue, aims, estimates, projects, believes, intends, expects, anticipates, and words of similar meaning, are forward-looking statements. These statements are based on plans, estimates and projections as at the time they are made, and therefore undue reliance should not be placed on them. By their nature, all forward-looking statements involve risk and uncertainty. A number of important factors could cause Prudential's actual future financial condition or performance or other indicated results to differ materially from those indicated in any forward-looking statement. Such factors include, but are not limited to, future market conditions, including fluctuations in interest rates and exchange rates and the potential for a sustained low-interest rate environment, and the performance of financial markets generally; the policies and actions of regulatory authorities, including, for example, new government initiatives related to the financial crisis and the effect of the European Union's Solvency II requirements on Prudential's capital maintenance requirements; the impact of Prudential's continuing designation as a Global Systemically Important Insurer or G-SII; the impact of competition, economic growth, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; the impact of changes in capital, solvency standards, accounting standards or relevant regulatory frameworks, and tax and other legislation and regulations in the jurisdictions in which Prudential and its affiliates operate; and the impact of legal actions and disputes. These and other important factors may for example result in changes to assumptions used for determining results of operations or re-estimations of reserves for future policy benefits. Further discussion of these and other important factors that could cause Prudential's actual future financial condition or performance or other indicated results to differ, possibly materially, from those anticipated in Prudential's forward-looking statements can be found in Item 3 Risk Factors of Prudential's most recent annual report on Form 20-F filed with the SEC and in any accompanying prospectus supplements.

Any forward-looking statements contained in this prospectus, the documents incorporated by reference herein, and any accompanying prospectus supplements speak only as of the date on which they are made. Prudential may also make or disclose written and/or oral forward-looking statements in reports filed with or furnished to the SEC, the PRA and the U.K. Financial Conduct Authority (the FCA) or other regulatory authorities, as well as in its annual report and accounts to shareholders, proxy statements, offering circulars, registration statements, prospectuses and, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of Prudential to third parties, including financial analysts. All of the forward-looking statements are qualified in their entirety by reference to the factors discussed in Item 3 Risk Factors of Prudential's most recent annual report on Form 20-F filed with the SEC and in any accompanying prospectus supplements. These risk factors are not exhaustive as Prudential operates in a continually changing business environment with new risks emerging from time to time that it may be unable to predict or that it currently does not expect to have a material adverse effect on its business. Prudential expressly disclaims any obligation to update any of the forward-looking statements contained in this prospectus, the documents incorporated by reference herein, and any accompanying prospectus supplements or any other forward-looking statements it may make, whether as a result of future events, new information or otherwise except as required pursuant to the U.K. Prospectus Rules, the U.K. Listing Rules, the U.K. Disclosure and Transparency Rules, the Hong Kong Listing Rules, the SGX-ST listing rules or other applicable laws and regulations.

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**PRUDENTIAL PLC**

Prudential is an international financial services group with significant operations in Asia, the United States and the United Kingdom. Prudential has been in existence for more than 166 years, serves more than 23 million insurance customers and has £457 billion of assets under management (as at June 30, 2014). Prudential is not affiliated with Prudential Financial, Inc. or its subsidiary, Prudential Insurance Company of America. Prudential's principal executive offices are located at 12 Arthur Street, London EC4R 9AQ, England and its telephone number at this location is +(44) 20 7220 7588.

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**USE OF PROCEEDS**

Except as otherwise specified in any prospectus supplement, the net proceeds from the sale of the securities described in this prospectus will be used for our operations or for other general corporate purposes.

**Table of Contents****RATIOS OF EARNINGS TO FIXED CHARGES**

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated using financial information calculated in accordance with IFRS:

	Six Months		Year Ended December 31,			
	Ended June 30, 2014	2013	2012	2011	2010	2009
Historical Ratio of Earnings <sup>(1)</sup> to Fixed Charges <sup>(2)</sup>	7.2	5.2	7.2	4.8	5.0	4.7
Supplemental Ratio of Earnings <sup>(3)</sup> to Fixed Charges <sup>(4)</sup>	7.5	5.2	8.2	6.1	4.6	3.4

Notes:

(1) For the purposes of calculating the ratios, earnings on the historical basis represent profit from continuing operations before tax (being tax attributable to shareholders and policyholders returns), non-controlling interests and share of profits from equity method accounted joint ventures and associates plus fixed charges and distributed income from equity method accounted joint ventures and associates.

Profit from continuing operations before tax (being tax attributable to shareholders and policyholders returns) is the formal profit before tax measure under IFRS but is not the result attributable to shareholders.

(2) Fixed charges, included in the historical ratios, consist of interest expensed in the income statement under IFRS and interest payments on lease obligations for land and buildings but exclude interest expense on tax liabilities. Due to the complexity of determining the interest portion of lease payments on land and buildings, one-third of our lease payments on land and buildings has been included in fixed charges to represent a reasonable approximation of interest payments on these obligations. Fixed charges also include product-related charges. Product-related fixed charges consist of interest credited to policyholders on wholesale funding arrangements, guaranteed investment contracts and certain annuity products entered into by Jackson National Life Insurance Company ( Jackson ).

(3) Management believes that the supplemental ratios are more indicative of the ability to cover our fixed charges than the historical ratios. Presentation of the supplemental ratios is neither required nor encouraged by the SEC. On the supplemental basis, the profit included in earnings represents profit from continuing operations before tax attributable to shareholders.

(4) Fixed charges incorporated in the supplemental ratios are fixed charges explained in (2) above, but exclude product-related fixed charges, fixed charges on non-recourse borrowings and also those which are borne by the with-profits funds. Our earnings in respect of with-profit funds reflect up to one-ninth of the value of bonuses paid to policyholders, which is not directly affected by the amount of fixed charges incurred by the funds. Exclusion of fixed charges borne by with-profit funds from those included within supplemental ratios reflects the regulatory structures and accounting bases of profit recognition that attach to these particular types of with-profits business. The nature and operation of the profit sharing arrangement between policyholders and shareholders

regarding results of the with-profits funds business is distinctive to the U.K. and certain Asian operations. Separate legally ring-fenced funds are maintained in our group companies having with-profits business. Shareholder funds are only entitled to receive profit distributions from the with-profits funds as a function of profit participation bonuses distributed or credited to policyholders. In the case of the Scottish Amicable Insurance Fund ( SAIF ), shareholders are not entitled to any profit from the fund other than investment management fees. Earnings from with-profits business are recognized only when with-profits bonuses are declared and the shareholders' share of bonuses is transferred to the shareholders' equity. Fixed charges incurred by with-profits funds do not directly impact the level of bonuses, and therefore do not directly impact earnings.

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An explanation of the basis of profits under IFRS for with-profits business is included in the 2013 Form 20-F incorporated by reference herein under Item 18 Financial Statements Note A3.1(d) Measurement of policyholder liabilities and unallocated surplus of with-profits funds and Item 5 Operating and Financial Review and Prospects Summary Consolidated Results and Basis of Preparation of Analysis Explanation of Movements in Profits After Tax and Profits Before Shareholder Tax by Reference to the Basis Applied for Segmental Disclosure Summary by Business Segment and Geographical Region United Kingdom Basis of Profits.

Fixed charges on non-recourse borrowings issued by investment subsidiaries managed by PPM America (our U.S. fund management operation) and up until 2011 by the Piedmont trust entity subsidiary (an 80% Jackson-held static trust formed as a result of a securitization of asset-backed securities in 2003) are excluded.

On the supplemental basis, after adjusting for the items described above, fixed charges consist of mainly interest arising on the core structural borrowings of Prudential (and related finance subsidiaries) required to support Prudential's main business activities and other Prudential's borrowings such as commercial paper, floating and medium term notes, which are borrowings that support a short-term fixed income securities reinvestment program.

We have not presented a table of combined fixed charges and preference dividends to earnings ratios. There is no difference between the ratios shown in the table of earnings to fixed charges above and those calculated for the ratio of combined fixed charges and preference dividends to earnings as we have not historically paid out any preference dividends.

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**DESCRIPTION OF THE SENIOR DEBT SECURITIES**

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, our senior debt securities (the Senior Debt Securities ) will be issued under and governed by a document called an indenture. The senior indenture relating to the Senior Debt Securities is a contract between us, as issuer, and Wilmington Trust Company, as senior trustee. The senior trustee has two main roles:

first, the senior trustee can enforce the rights of holders of the Senior Debt Securities against us if we default. There are some limitations on the extent to which the senior trustee acts on behalf of holders of the Senior Debt Securities, described under Defaults, Remedies and Waivers of Default ; and

second, the senior trustee performs administrative duties for us, such as sending interest payments and notices to the holders of the Senior Debt Securities.

The senior indenture and its associated documents, including any supplemental indenture relating to a particular series of Senior Debt Securities and the Senior Debt Securities in question, contain the full text of the matters summarized in this section and in your prospectus supplement. The senior indenture has been incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part, and any supplemental indentures relating thereto will be filed as exhibits to future filings with the SEC from time to time. See Where You Can Find More Information above for information on how to obtain copies.

The statements and descriptions in this prospectus or in any prospectus supplement regarding the provisions of the senior indenture and the Senior Debt Securities are summaries, do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all the provisions of the senior indenture (together with any related amendments or supplements thereto) and the Senior Debt Securities themselves, including the definitions therein of certain terms. Although we will include in a supplement to this prospectus the specific terms of each series of Senior Debt Securities being offered, the senior indenture (together with any related amendments or supplements thereto) and the Senior Debt Securities themselves, and not any summary of the terms thereof, will govern the rights of holders of the Senior Debt Securities.

**General**

The senior indenture does not limit the aggregate principal amount of Senior Debt Securities that we may issue thereunder. We may issue such securities from time to time in one or more series. All Senior Debt Securities of any one series need not be issued at the same time.

Your prospectus supplement will describe the specific terms of the series of Senior Debt Securities to which it relates, including some or all of the following terms:

the designation, authorized denominations and aggregate principal amount of the series of Senior Debt Securities;

the stated maturity of the series of Senior Debt Securities;

the price or prices at which the Senior Debt Securities will be originally issued, expressed as a percentage or percentages of the principal amount of the Senior Debt Securities of the same series, and the original issue date or dates or periods during which the Senior Debt Securities may be issued;

the date or dates on which (or, if applicable, the range of dates within which) any payment of principal, interest or premium on the Senior Debt Securities will be payable (or the manner of determining the same), and the record date for any such payment;

the place or places at which any payments on the Senior Debt Securities will be payable, where any transfer, conversion or exchange will occur and where notice or demands to or upon us may be served;

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if interest is payable, the interest rate or rates, or how the interest rate or rates may be determined;

the terms and conditions of any mandatory or optional redemption, repayment or repurchase of the Senior Debt Securities, including, if applicable, notice requirements, legal and regulatory requirements, redemption, repayment or repurchase dates, periods and prices or amounts;

the manner in which the amount of any payments on the Senior Debt Securities may be determined by reference to an index or formula, or other reference asset or factors;

the currency or currencies in which the Senior Debt Securities are denominated, and in which we will make any payments;

if we or holders of the Senior Debt Securities have the right to elect the currency or currencies in which any payments on the Senior Debt Securities will be made, the currency or currencies that we or the holders may elect, the terms and conditions applicable to such elections and the time and manner of determining the relevant exchange rate and calculating currency equivalents;

the amount, or how to determine the amount, that we will pay if the Senior Debt Securities are redeemed before their stated maturity or accelerated;

provisions, if any, for the satisfaction or discharge of the Senior Debt Securities, or a statement that no such provisions apply;

any mandatory or optional sinking funds or analogous provisions;

the terms and conditions, if any, under which the Senior Debt Securities may or will be converted into or exchanged for other specified securities, whether issued by Prudential or otherwise;

if applicable, the circumstances under which we will pay additional amounts on any Senior Debt Securities and under which we may redeem the Senior Debt Securities of the series if we have to pay additional amounts;

any other terms or conditions applicable to payment of any principal, interest or premium on the Senior Debt Securities;

any notices to legal or regulatory authorities or consents from legal and regulatory authorities that comprise part of, or are required in order to give effect to, the terms of the Senior Debt Securities of the series;

any addition to, elimination of or other change in the events of default or other events permitting remedies that apply to the Senior Debt Securities, and the remedies available following the occurrence thereof;

whether the Senior Debt Securities of the series will be issued in whole or in part as one or more global securities and, if so issued, the conditions that must be satisfied before we will issue the Senior Debt Securities in definitive form;

any listing of the Senior Debt Securities on a securities exchange;

the form of the Senior Debt Securities of the series (including the terms and conditions of such Senior Debt Securities);

any restrictions applicable to the offer, sale and delivery of the Senior Debt Securities;

the material tax consequences of acquiring, owning and disposing of the Senior Debt Securities under U.S. federal and U.K. income tax laws; and

any other terms of the series of Senior Debt Securities, including any addition to, elimination of or other change to the definitions or covenants or to any other terms or conditions set forth in the senior indenture.

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Unless otherwise indicated in your prospectus supplement, holders of the Senior Debt Securities will not be entitled to any voting rights except as otherwise described herein.

Unless otherwise indicated in your prospectus supplement, the provisions of the senior indenture (together with any related amendments or supplements thereto) and the Senior Debt Securities themselves do not afford holders of the Senior Debt Securities protection in the event of a highly leveraged or other transaction involving us that might adversely affect them.

## **Legal Ownership and Form**

Unless the applicable prospectus supplement provides otherwise, we will issue Senior Debt Securities registered in the name of holders as set out in the books of a security registrar (*i.e.*, in registered form ). Our obligations, as well as the obligations of the senior trustee and those of any third parties employed by us or the senior trustee, run only to persons who are registered as holders of the Senior Debt Securities.

Investors who hold Senior Debt Securities in accounts with banks or brokers will generally not be recognized by us as legal holders of the Senior Debt Securities. This is called holding in street name . Instead, we would recognize only the bank or broker, or the financial institution the bank or broker uses to hold its Senior Debt Securities, as legal holders. These intermediary banks, brokers and other financial institutions pass along principal, interest and other payments, either because they agree to do so in their customer agreements or because they are legally required to do so. As noted above, we do not have obligations to an investor who holds in street name or other indirect means, either because the investor chooses to hold Senior Debt Securities in that manner or because the Senior Debt Securities are issued in the form of global securities as described below. For example, once we make payment to the registered holder, we have no further responsibility for the payment even if that holder is legally required to pass the payment along to the investor as a street name customer but does not do so.

A global security is a special type of indirectly held security. If Senior Debt Securities in registered form are represented by one or more global securities, we will require that such global securities be registered in the name of a financial institution we select, and not be transferred to the name of any other direct holder unless certain special circumstances described in the section Global Securities occur. The financial institution that acts as the sole direct holder of the global security is called the depositary. Any person wishing to own a beneficial interest in a global security must do so indirectly by virtue of an account with a broker, bank or other financial institution that in turn has an account with the depositary. The rights of these indirect owners will be governed solely by the applicable procedures of the depositary and its participants. Unless the applicable prospectus supplement provides otherwise, Senior Debt Securities in registered form will be represented by interests in one or more global securities.

Global securities are further discussed in the section Global Securities in this prospectus.

Please note that when we refer to holders in this Description of the Senior Debt Securities , we mean direct holders of the Senior Debt Securities and not street name or other indirect holders of the Senior Debt Securities. When we refer to you in this Description of the Senior Debt Securities , we mean those who invest in the Senior Debt Securities being offered, whether they are the holders or only indirect owners of those securities.

## **Status of the Senior Debt Securities**

The Senior Debt Securities will constitute our direct unsubordinated and (subject to the provisions set forth under Senior Debt Securities Negative Pledge below) unsecured obligations. In each case, these obligations shall be without any preference among themselves and will rank at least equally with all of our other unsecured and unsubordinated

obligations. This will be subject to such exceptions as are from time to time applicable under the laws of the United Kingdom and to laws or legal procedures of general applicability relating

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to or affecting creditors' rights. Other unsecured and unsubordinated indebtedness may contain covenants, events of default and other provisions that are different from or which are not contained in the Senior Debt Securities.

### ***Senior Debt Securities Negative Pledge***

So long as any Senior Debt Securities remain outstanding, we will not, and will ensure (so far as we can do so by the proper exercise of our voting and other rights or powers of control exercisable in relation to such company) that the Principal subsidiary (as defined below) will not create or permit to exist any mortgage or charge upon the whole or any part of our or its undertaking or assets (other than assets representing the fund or funds we maintain, or as the case may be, the Principal subsidiary maintains, in respect of long-term business (as defined in the Financial Services and Markets Act 2000 of the United Kingdom)), present or future, to secure payment of any of our present or future Relevant indebtedness (as defined below), or the present or future Relevant indebtedness (as defined below) of any of our Subsidiaries (as defined below), or to secure any guarantee or indemnity in respect thereof, without at the same time securing such outstanding Senior Debt Securities and all amounts payable under the senior indenture in respect thereof equally and ratably with the same security as is created or subsisting to secure any such Relevant indebtedness, guarantee or indemnity, or such other security as shall be approved by the holders of at least 75% in principal amount of the outstanding Senior Debt Securities of that series.

Subsidiary means, for the purposes of this Senior Debt Securities Negative Pledge section, a company that is a subsidiary of Prudential, within the meaning of Section 1159 of the Companies Act 2006 of Great Britain (Section 1159). Section 1159 provides that a company will be our subsidiary where:

we hold the majority of its voting rights,

we are a member of it and have the right to appoint or remove a majority of its board of directors,

we are a member of it and control alone, pursuant to an agreement with other shareholders or members, a majority of the voting rights in it, or

such company is a subsidiary of a company that is our subsidiary.

Principal subsidiary means The Prudential Assurance Company Limited for so long as it remains our Subsidiary.

Relevant indebtedness means any indebtedness for borrowed money (other than indebtedness in the form of sterling debenture stock (as defined in the senior indenture) or indebtedness that has a stated maturity not exceeding one year) which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities that, with our agreement or the agreement of any relevant Subsidiary (as defined above), as the case may be, are quoted, listed, dealt in or traded on a stock exchange or over the counter or other recognized securities market (whether or not distributed by way of private placement), excluding any indebtedness for borrowed money in respect of which the person to whom such indebtedness is owed has no recourse whatsoever to us or the Principal subsidiary (as defined above), as the case may be, for repayment other than recourse for amounts limited to the cash flow or net cash flow (other than historic cash flow or historic net cash flow) from such asset.

### **Defaults, Remedies and Waivers of Default**

***Defaults and Remedies***

Unless the applicable prospectus supplement provides otherwise, an event of default with respect to each series of Senior Debt Securities shall result if:

1. we do not pay any principal (or premium, if any) on any Senior Debt Securities of that series on the due date for payment, or default is made on the payment of interest, and, in each case, such default continues for a period of 14 days from the due date for payment;

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2. any covenant or warranty in the senior indenture (other than as stated above with respect to payments when due) has been breached in any material respect and that breach has not been remedied within 30 days of receipt by us of a written notice from the senior trustee, or receipt by us and the senior trustee of written notice of such breach from holders of at least 25% in aggregate principal amount of the outstanding Senior Debt Securities of that series, requiring that the breach be remedied;
3. either a court of competent jurisdiction issues an order that is not successfully appealed within 30 days, or an effective shareholders' resolution is validly adopted, for our winding up or for the winding up of the Principal subsidiary (except, in the case of the Principal subsidiary, for the purposes of, or in connection with, a reconstruction or amalgamation the terms of which have previously been approved in writing by the holders of at least 75% in aggregate principal amount of the outstanding Senior Debt Securities of that series or in the event of a voluntary solvent winding up where surplus assets are available for distribution);
4. we or the Principal subsidiary stop or threaten to stop payments to creditors generally or we or the Principal subsidiary cease or threaten to cease to carry on our or its business or substantially the whole of our or its business (except for the purposes of, or in connection with, a reconstruction or amalgamation the terms of which have previously been approved in writing by the holders of at least 75% in aggregate principal amount of the outstanding Senior Debt Securities of that series or, in the case of the Principal subsidiary, in the event of a voluntary solvent winding up where surplus assets are available for distribution);
5. an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or any substantial part of our undertaking, property and assets or the whole or substantial part of the undertaking, property and assets of the Principal subsidiary, or if a distress or execution is levied or enforced upon or sued out against the whole or any substantial part of our chattels or property or the whole or substantial part of the chattels or property of the Principal subsidiary and, in the case of any of the foregoing events, is not discharged within 60 days;
6. we or the Principal subsidiary are unable to pay debts within the meaning of Section 123(2) of the Insolvency Act 1986 of the United Kingdom;
7. our indebtedness or the indebtedness of the Principal subsidiary for moneys borrowed (as defined below), which indebtedness in respect of any single company has an outstanding aggregate principal amount of at least £30,000,000 (or its equivalent in any other currency or currencies) is not paid on its due date as extended by any applicable grace period and following a demand therefor, or is declared to be or automatically becomes, due and payable prior to its stated maturity by reason of default or if any guarantee or indemnity in respect of indebtedness for moneys borrowed of any third party that we or the Principal subsidiary have given (having in respect of any single company an outstanding aggregate principal amount as aforesaid) is not honored when due and called upon and, in any such case, our liability or the liability of the Principal subsidiary, as the case may be, to make payment is not being contested in good faith; or
8. the Principal subsidiary shall cease to be our Subsidiary, except pursuant to an amalgamation, reconstruction or winding-up the terms of which have previously been approved in writing by the holders of at least 75% in

aggregate principal amount of the outstanding Senior Debt Securities of that series or a voluntary solvent winding-up where surplus assets are available for distribution.

Indebtedness for moneys borrowed means the principal amount of (i) all moneys borrowed and (ii) all debentures (together in each case with any fixed or minimum premium payable on final redemption or repayment) that neither we nor any of our Subsidiaries beneficially owns for the time being.

For the purposes of paragraph 8 above and the definition of indebtedness for moneys borrowed, Subsidiary has the same meaning given to it in Senior Debt Securities Negative Pledge.

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If an event of default occurs and is continuing, the senior trustee or the holders of at least 25% of the aggregate principal amount of the outstanding Senior Debt Securities of that series may declare:

the entire principal amount of (including premium, if any, on) (or, in the case of discounted securities, a lesser amount specified in your prospectus supplement) of all such Senior Debt Securities; and

if specified in your prospectus supplement, any accrued but unpaid interest payments thereon, to be due and payable immediately. This is called an acceleration of the maturity. If the maturity of any Senior Debt Securities has been accelerated, but a judgment for payment has not yet been obtained, the holders of a majority in aggregate principal amount of the outstanding Senior Debt Securities of the affected series may, under certain circumstances, cancel the acceleration.

If an event of default occurs, the senior trustee will have certain additional duties. In that situation, the senior trustee will be obligated to use its rights and powers under the senior indenture, and in so doing, to use the same degree of care and skill in its exercise of the rights and powers vested in it by the senior indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The senior trustee will be under no obligation to exercise any of its rights or powers under the senior indenture at the request of any holder of Senior Debt Securities, unless such holder shall have offered to the senior trustee security and indemnity satisfactory to the senior trustee against any loss, liability or expense, and then only to the extent required by the terms of the senior indenture. Subject to these senior indenture provisions for the indemnification of the senior trustee, the holder(s) of a majority in aggregate principal amount of the outstanding Senior Debt Securities of any series will, subject to certain limitations, have the right to direct the time, method and place of conducting any proceeding seeking any remedy available to the senior trustee.

Unless the applicable prospectus supplement provides otherwise, before holders are allowed to bypass the senior trustee and bring their own lawsuit or other formal legal action or take other steps to enforce their rights or protect their interests relating to the Senior Debt Securities, all of the following must generally occur:

such holders must give the senior trustee written notice that an event of default has occurred, and the event of default must not have been cured or waived;

holders of at least 25% of the aggregate principal amount of the outstanding Senior Debt Securities of that series must make a written request that the senior trustee take action because of the event of default, and they or other holders must offer to the trustee indemnity satisfactory to the senior trustee against the cost and other liabilities of taking that action;

the senior trustee must not have taken action for 60 days after the above steps have been taken; and

during those 60 days, the holders of a majority of the aggregate principal amount of the outstanding Senior Debt Securities of that series must not have given the trustee directions that are inconsistent with the written request of the holders of at least 25% of the aggregate principal amount of the outstanding Senior Debt Securities of that series.

Notwithstanding these limitations, nothing will impair the right of a holder of the Senior Debt Securities to institute suit for the enforcement of payment of the principal of (and premium, if any, on) and interest, if any, on such Senior Debt Securities on or after the respective stated maturities, if any, thereof, as provided in the senior indenture or the Senior Debt Securities.

The senior trustee will, within 90 days of a default with respect to the Senior Debt Securities of any series, give to each holder of the Senior Debt Securities of the affected series notice of any default it knows about, unless the default has been cured or waived. However, except in the case of a default in the payment of the principal of (or premium, if any), or interest, if any, on the affected Senior Debt Securities, the senior trustee will be entitled to withhold such notice if it determines in good faith that withholding of the notice is in the interest of the holder(s) of such series.

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### ***We Will Give the Senior Trustee Information about Defaults Annually***

We will furnish the senior trustee with an annual certificate of certain of our officers certifying, to the best of their knowledge, whether we are, or have been, in default and specifying the nature and status of any such default. In addition, we are required to provide the senior trustee with written notice within five days of our becoming aware of any event of default, or event that could mature into an event of default, under the senior indenture.

### ***Waivers of Certain Defaults***

The holders of not less than a majority in aggregate principal amount of the outstanding Senior Debt Securities of a particular affected series may generally also waive any events of default. If this happens, the relevant event of default will be treated as if it had not occurred. No one, however, can waive defaults by us in the payment of the principal of (and premium, if any, on) and interest, if any, on any such Senior Debt Securities or in respect of a covenant or a provision that under the senior indenture (together with any related amendments or supplements thereto) cannot be modified or amended without the consent of each holder of the outstanding Senior Debt Securities of such a series.

### **Consolidation, Merger and Sale or Lease of Assets**

Unless otherwise indicated in your prospectus supplement, we may, without the consent of the holders of any Senior Debt Securities, consolidate with or merge into or transfer or lease our properties and assets substantially as an entirety, provided, however, that any successor corporation formed by any such consolidation or merger or any such transferee or lessee of our assets is a corporation or other person organized and validly existing under the laws of a member country of the Organisation for Economic Co-operation and Development that assumes our obligations on the Senior Debt Securities and the senior indenture, and a number of other conditions are met.

Note that any such conditions will apply only if we wish to merge or consolidate with another entity or sell our assets substantially as an entirety to another entity. We will not need to satisfy these conditions if we enter into other types of transactions, including any transaction in which we acquire the securities or assets or another entity, any transaction that involves a change of control of Prudential but in which we do not merge or consolidate, and any transaction in which we sell less than substantially all our assets.

### **Modifications**

Under certain circumstances, we can make changes to the senior indenture and the Senior Debt Securities. The following three types of changes are possible.

#### ***Changes Requiring Approval by each Holder***

The first type of change comprises changes that cannot be made without the specific approval of each holder of each affected series of Senior Debt Securities. These include changes that:

change the stated maturity of the principal, any installment of principal or any interest on any Senior Debt Security;

reduce the rate or amount of any interest;

reduce the principal or any premium payable on redemption;

change the place or currency of payment;

change the right of holders to waive an existing default by majority vote;

impair the right to sue for payment;

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reduce the percentage of holders who must consent to a waiver or amendment of the senior indenture or the waiver of defaults; and

make any change to the list of changes that requires the approval of each holder, including the foregoing.

### ***Changes Requiring 50% Approval***

The second type of change comprises changes that require approval by the holders of at least 50% of the aggregate principal amount of the outstanding Senior Debt Securities of each affected series. Most changes fall into this category, except for clarifying changes and other changes that would not adversely affect holders in any material respect.

### ***Changes Not Requiring Approval***

The third type of change does not require any approval by holders of Senior Debt Securities. This type is limited to clarifications and other changes that would not adversely affect holders of the Senior Debt Securities in any material respect.

## **Waivers of Certain Covenants**

Our obligations to comply with certain restrictive covenants in the senior indenture pertaining to corporate existence and maintenance of certain agencies or as pertain to the negative pledge covenant described under Senior Debt Securities Negative Pledge above may be waived by holders of not less than a majority in aggregate principal amount (or any greater requisite amount, as the case may be) of the outstanding Senior Debt Securities of each affected series. See also the discussion in Defaults, Remedies and Waivers of Default Waivers of Certain Defaults with respect to the ability of holders to waive events of default.

## **Further Issuances**

We may from time to time, without notice to or the consent of the holders of the outstanding Senior Debt Securities of a series, create and issue under the applicable indenture (together with any related amendments or supplements thereto) further Senior Debt Securities of such series ranking *pari passu* with such outstanding Senior Debt Securities in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such further Senior Debt Securities or except for the first payment of interest following the issue date of such further Senior Debt Securities) and so that any further Senior Debt Securities of such series shall be consolidated and form a single series with the outstanding Senior Debt Securities of such series and shall have the same terms as to status, redemption or otherwise as such outstanding Senior Debt Securities.

## **Notices**

Notices to holders of Senior Debt Securities in registered form will be given by mail to the addresses of such holders as they appear in the security register, or in any other permitted manner specified in your prospectus supplement.

## **Title**

We, the senior trustee and any of our agents or any agents of the senior trustee may treat the registered owner of any Senior Debt Security in registered form as the absolute owner thereof (whether or not such security shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.



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**Consent to Service; Jurisdiction**

We have appointed Jackson National Life Insurance Company at 1 Corporate Way, Lansing, Michigan 48951, as our authorized agent for service of process in any suit or proceeding to which we are party arising out of or relating to the Senior Debt Securities or the senior indenture that may be instituted in any federal or state court in the Borough of Manhattan in New York City and have submitted to the jurisdiction of those courts. Notwithstanding the foregoing, actions relating to the Senior Debt Securities or the senior indenture may (subject to the limitations on enforcement described in this prospectus and, if applicable, in your prospectus supplement) be instituted by the holder of any Senior Debt Security in any competent court in England and Wales.

**Governing Law**

The senior indenture and the Senior Debt Securities will be governed by and construed in accordance with the laws of the State of New York.

**Table of Contents****DESCRIPTION OF THE SUBORDINATED DEBT SECURITIES**

As required by U.S. federal law for all bonds and notes of companies that are publicly offered, our subordinated debt securities (the Subordinated Debt Securities ) will be issued under and governed by a document called an indenture. The subordinated indenture relating to the Subordinated Debt Securities is a contract between us, as issuer, and Deutsche Bank Trust Company Americas, as subordinated trustee. The subordinated trustee has two main roles:

first, the subordinated trustee can enforce the rights of holders of the Subordinated Debt Securities against us if we default. There are some limitations on the extent to which the subordinated trustee acts on behalf of holders of the Subordinated Debt Securities, described under Defaults, Remedies and Waivers of Default ; and

second, the subordinated trustee performs administrative duties for us, such as sending interest payments and notices to holders of the Subordinated Debt Securities.

The subordinated indenture and its associated documents, including any supplemental indenture relating to a particular series of Subordinated Debt Securities and the Subordinated Debt Securities themselves, contain the full text of the matters summarized in this section and your prospectus supplement. The subordinated indenture has been incorporated by reference as an exhibit to the registration statement of which this prospectus forms a part, and any

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

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and

TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

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

	1/31/11	7/31/10	Change	High	Low
Market Price	\$12.92	\$14.92	(13.40)%	\$15.56	\$12.20
Net Asset Value	\$13.66	\$15.00	(8.93)%	\$15.49	\$13.27

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

**Sector Allocations**

	1/31/11	7/31/10
State	28%	28%
Education	19	16
County/City/Special District/School District	12	17

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Transportation	10	9
Health	10	10
Utilities	9	9
Housing	8	7
Corporate	3	3
Tobacco	1	1

### Credit Quality Allocations<sup>5</sup>

	1/31/11	7/31/10
AAA/Aaa	8%	31%
AA/Aa	48	23
A	31	36
BBB/Baa	9	5
Not Rated	4	5 <sup>6</sup>

<sup>5</sup> Using the higher of S&P's and Moody's ratings.

<sup>6</sup> The investment advisor has deemed certain of these non-rated securities to be of investment grade quality. As of July 31, 2010, the market value of these securities was \$8,904,633, representing 5% of the Fund's long-term investments.

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## Fund Summary as of January 31, 2011 **BlackRock MuniYield Pennsylvania Quality Fund**

### Fund Overview

Effective November 9, 2010, BlackRock MuniYield Pennsylvania Insured Fund changed its name to BlackRock MuniYield Pennsylvania Quality Fund. 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.

### Performance

Effective November 9, 2010, the Fund's investment policy was changed by the removal of the insurance investment policy that required at least 80% of Fund assets to be invested in insured municipal securities. Accordingly, the Fund was moved from the Lipper Single-State Insured Municipal Debt Funds category into the Lipper Pennsylvania Municipal Debt Funds category. For the six months ended January 31, 2011, the Fund returned (10.43)% based on market price and (6.76)% based on NAV. For the same period, the closed-end Lipper Pennsylvania Municipal Debt Funds category posted an average return of (9.19)% based on market price and (6.17)% based on NAV, while the closed-end Lipper Single-State Insured Municipal Debt Funds category posted an average return of (9.05)% based on market price and (6.44)% based on NAV. All returns reflect reinvestment of dividends. The Fund's discount to NAV, which widened during the period, accounts for the difference between performance based on price and performance based on NAV. A generally negative municipal market environment hindered Fund performance. Conversely, the Fund maintained a low average cash reserve level, which benefited total return by boosting income accrual. Increased exposure to tender option bonds to take advantage of the historically steep municipal yield curve also benefited the income accrual. In addition, the Fund's holdings in corporate-backed municipals aided performance as non-traditional investors identified the sector's attractive investment opportunities and subsequently drove up demand.

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

### Fund Information

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Symbol on NYSE	MPA
Initial Offering Date	October 30, 1992
Yield on Closing Market Price as of January 31, 2011 (\$13.24) <sup>1</sup>	6.93%
Tax Equivalent Yield <sup>2</sup>	10.66%
Current Monthly Distribution per Common Share <sup>3</sup>	\$0.0765
Current Annualized Distribution per Common Share <sup>3</sup>	\$0.9180
Leverage as of January 31, 2011 <sup>4</sup>	40%

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

<sup>2</sup> Tax equivalent yield assumes the maximum federal tax rate of 35%.

<sup>3</sup> The distribution rate is not constant and is subject to change.

<sup>4</sup> Represents Preferred Shares and TOBs as a percentage of total managed assets, which is the total assets of the Fund, including any assets attributable to Preferred Shares and

TOBs, minus the sum of accrued liabilities. For a discussion of leveraging techniques utilized by the Fund, please see The Benefits and Risks of Leveraging on page 11.

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

	1/31/11	7/31/10	Change	High	Low
Market Price	\$13.24	\$15.26	(13.24)%	\$15.71	\$12.56
Net Asset Value	\$13.89	\$15.38	(9.69)%	\$15.86	\$13.45

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

### Sector Allocations

	1/31/11	7/31/10
County/City/Special District/School District	30%	29%
State	23	23
Utilities	12	12
Transportation	12	12
Health	10	12
Education	6	5
Housing	3	4
Corporate	4	3

### Credit Quality Allocations<sup>5</sup>

	1/31/11	7/31/10
AAA/Aaa	8%	41%
AA/Aa	73	42
A	15	16
BBB/Baa	4	1

<sup>5</sup> Using the higher of S&P's or Moody's ratings.



## The Benefits and Risks of Leveraging

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

To leverage, the Funds issue preferred shares ( Preferred Shares ), which pay dividends at prevailing short-term interest rates, and invest the proceeds in long-term municipal bonds. In general, the concept of leveraging is based on the premise that the financing cost of assets to be obtained from leverage, which will be based on short-term interest rates, will normally be lower than the income earned by each Fund on its longer-term portfolio investments. To the extent that the total assets of each Fund (including the assets obtained from leverage) are invested in higher-yielding portfolio investments, each Fund's holders of common shares ( Common Shareholders ) will benefit from the incremental net income.

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

If short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental net income pickup on the Common Shares will be reduced or eliminated completely. Furthermore, if prevailing short-term interest rates rise above long-term interest rates of 6%, the yield curve has a negative slope. In this case, the Fund pays dividends on the higher short-term interest rates whereas the Fund's total portfolio earns income based on lower long-term interest rates.

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

The Funds may also leverage their assets through the use of TOBs, as

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

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

Under the Investment Company Act of 1940, the Funds are permitted to issue Preferred Shares in an amount of up to 50% of their total managed assets at the time of issuance. Under normal circumstances, each Fund anticipates that the total economic leverage from Preferred Shares and/or TOBs will not exceed 50% of its total managed assets at the time such leverage is incurred. As of January 31, 2011, the Funds had economic leverage from Preferred Shares and/or TOBs as a percentage of their total managed assets as follows:

	<b>Percent of Leverage</b>
MUC	45%
MUJ	39%
MFT	41%
MIY	39%
MJI	36%
MPA	40%

## Derivative Financial Instruments

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

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## Schedule of Investments January 31, 2011 (Unaudited) BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>California 117.4%</b>		
<b>Corporate 0.5%</b>		
City of Chula Vista California, Refunding RB, San Diego Gas & Electric, Series A, 5.88%, 2/15/34	\$ 2,435	\$ 2,495,169
<b>County/City/Special District/School District 47.8%</b>		
Alameda County Joint Powers Authority, Refunding RB, Lease (AGM), 5.00%, 12/01/34	13,180	12,210,743
Bonita Unified School District California, GO, Election of 2004, Series B:		
(BHAC), 5.00%, 8/01/31	5,000	4,694,900
(NPFGC), 5.00%, 8/01/29	8,350	8,162,793
Cabrillo Community College District, GO, Election of 2004, Series B (NPFGC), 5.00%, 8/01/36	4,000	3,817,120
Central Unified School District, GO, Election of 2008, Series A (AGC), 5.63%, 8/01/33	2,600	2,684,162
City of Garden Grove California, COP, Series A, Financing Project (AMBAC), 5.50%, 3/01/26	4,040	4,098,620
City of Lodi California, COP, Refunding, Series A (AGM), 5.00%, 10/01/32	2,080	1,919,424
City of Redding California, COP, Refunding, Series A (AGM), 5.00%, 6/01/30	5,735	5,395,832
Colton Joint Unified School District, GO, Series A (NPFGC), 5.38%, 8/01/26	2,500	2,531,800
Corona Department of Water & Power, COP (NPFGC), 5.00%, 9/01/29	5,910	5,314,154
County of Kern California, COP, Capital Improvements Projects, Series A (AGC), 6.00%, 8/01/35	3,500	3,676,680
Covina-Valley Unified School District California, GO, Refunding, Series A (AGM), 5.50%, 8/01/26	2,395	2,459,497
Culver City Redevelopment Finance Authority California, Tax Allocation Bonds, Refunding, Series A (AGM), 5.60%, 11/01/25	3,750	3,796,050
Fullerton Joint Union High School District California, GO, Election of 2002, Series B (NPFGC), 5.00%, 8/01/29	6,685	6,621,359

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Jurupa Public Financing Authority, RB, Superior Lien, Series A (AGM):		
5.00%, 9/01/30	4,000	3,610,800
5.00%, 9/01/33	2,000	1,779,160
5.00%, 9/01/39	4,230	3,706,960
Los Angeles Community College District California, GO, Election of 2008, Series C, 5.25%, 8/01/39	1,500	1,419,555
Los Angeles Community Redevelopment Agency California, RB, Bunker Hill Project, Series A (AGM), 5.00%, 12/01/27	10,000	10,016,600
Los Angeles County Metropolitan Transportation Authority, Refunding RB, Proposition A, First Tier, Senior Series A (AMBAC), 5.00%, 7/01/35	9,000	8,899,560
Los Gatos Union School District California, GO, Election of 2001, Series B (AGM), 5.00%, 8/01/30	2,735	2,757,345
Los Rios Community College District, GO, Election of 2008, Series A, 5.00%, 8/01/35	11,000	10,181,160

<b>Municipal Bonds</b>	<b>Par (000)</b>	<b>Value</b>
<b>California (continued)</b>		
<b>County/City/Special District/School District (continued)</b>		
Marin Community College District, GO, Election of 2004, Series A (NPFGC), 5.00%, 8/01/28	\$ 5,860	\$ 5,806,088
Marysville Joint Unified School District California, GO, Election of 2008 (AGC), 5.13%, 8/01/34	6,915	6,445,956
Modesto Irrigation District, COP, Series B, 5.50%, 7/01/35	2,000	1,902,040
Orange County Sanitation District, COP, Series A, 5.00%, 2/01/35	2,500	2,465,625
Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/35	11,110	10,103,545
Port of Oakland, Refunding RB, Series M, AMT (NPFGC), 5.38%, 11/01/27	24,465	22,787,435
Redlands Unified School District California, GO, Election of 2008 (AGM), 5.25%, 7/01/33	5,000	4,784,000
Redwoods Community College District, GO, Election of 2004 (NPFGC), 5.00%, 8/01/31	4,630	4,446,420
Riverside Unified School District California, GO, Election of 2001, Series B (NPFGC), 5.00%, 8/01/30	10,735	10,134,591
Saddleback Valley Unified School District California,		

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GO (AGM), 5.00%, 8/01/29	4,115	4,046,732
Salinas Union High School District California, GO, Election of 2002, Series B (NPFGC), 5.00%, 6/01/26	3,490	3,449,272
San Bernardino Community College District, GO, Election of 2002, Series A, 6.25%, 8/01/33	205	216,146
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	7,000	6,747,930
San Diego Regional Building Authority, RB, County Operations Center & Annex, Series A, 5.50%, 2/01/29	675	682,398
San Francisco Community College District California, GO, Election of 2001, Series C (AGM), 5.00%, 6/15/31	4,195	4,013,902
San Jose Evergreen Community College District California, GO, Refunding, CAB, Election of 2004, Series A (NPFGC), 5.92%, 9/01/24 (a)	10,410	4,712,919
San Mateo County Transportation District California, Refunding RB, Series A (NPFGC), 5.00%, 6/01/29	5,650	5,693,392
Santa Clara Redevelopment Agency California, Tax Allocation Bonds, Bayshore North Project, Series A (AMBAC), 5.50%, 6/01/23	10,000	9,975,300
Santa Rosa High School District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28	2,855	2,720,530
Snowline Joint Unified School District, COP, Refunding, Refining Project (AGC), 5.75%, 9/01/38	5,635	5,890,773
Walnut Valley Unified School District California, GO, Election of 2007, Measure S, Series A (AGM), 5.00%, 2/01/33	2,000	1,851,680
Walnut Valley Unified School District, GO, Election of 2007, Measure S, Series A (AGM), 5.00%, 8/01/30	1,000	937,240
West Contra Costa Unified School District California, GO (AGM):		
Election of 2002, Series B, 5.00%, 8/01/32	6,690	6,401,193
Election of 2005, Series A, 5.00%, 8/01/26	2,595	2,602,240

### Portfolio Abbreviations

To simplify the listings of portfolio holdings in the Schedules of Investments, the names and descriptions of many of the securities have been abbreviated according to the following list:	<b>BHAC</b>	Berkshire Hathaway Assurance Corp.	<b>GO</b>	General Obligation Bonds
	<b>CAB</b>	Capital Appreciation Bonds	<b>HDA</b>	Housing Development Authority
	<b>CIFG</b>	CDC IXIS Financial Guaranty	<b>HFA</b>	Housing Finance Agency
	<b>COP</b>	Certificates of Participation	<b>HRB</b>	Housing Revenue Bonds

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		<b>EDA</b>	Economic Development Authority	<b>IDA</b>	Industrial Development Authority
<b>ACA</b>	ACA Financial Guaranty Corp.	<b>EDC</b>	Economic Development Corp.	<b>ISD</b>	Independent School District
<b>AGC</b>	Assured Guaranty Corp.	<b>ERB</b>	Education Revenue Bonds	<b>LRB</b>	Lease Revenue Bonds
<b>AGM</b>	Assured Guaranty Municipal Corp. American Municipal Bond Assurance	<b>FGIC</b>	Financial Guaranty Insurance Co.	<b>NPFGC</b>	National Public Finance Guarantee Corp.
<b>AMBAC</b>	Corp.	<b>FHA</b>	Federal Housing Administration	<b>RB</b>	Revenue Bonds
<b>AMT</b>	Alternative Minimum Tax (subject to)	<b>GAN</b>	Grant Anticipation Notes	<b>S/F</b>	Single-Family
		<b>GARB</b>	General Airport Revenue Bonds		

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
<b>California (continued)</b>		
<b>County/City/Special District/School District (concluded)</b>		
West Contra Costa Unified School District, GO, Election of 2005, Series A (AGM), 5.00%, 8/01/35	\$ 12,000	\$ 11,182,560
Westminster Redevelopment Agency California, Tax Allocation Bonds, Subordinate, Commercial Redevelopment Project No. 1 (AGC), 6.25%, 11/01/39	4,300	4,603,451 254,357,632
<b>Education 8.5%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.00%, 10/01/39	1,000	973,200
California State Public Works Board, RB, University of California, Institute Project, Series C (AMBAC), 5.00%, 4/01/30	5,025	4,712,294
California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/35	10,000	9,015,400
Riverside Community College District, GO, Election of 2004, Series C (AGM), 5.00%, 8/01/32	8,750	8,244,338
San Diego Community College District, GO, Election of 2006 (AGM), 5.00%, 8/01/30	6,360	6,243,485
University of California, RB, Limited Project, Series D (AGM), 5.00%, 5/15/37	5,950	5,722,353
University of California, Refunding RB, General, Series A (AMBAC), 5.00%, 5/15/27	10,500	10,406,865 45,317,935
<b>Health 4.6%</b>		
ABAG Finance Authority for Nonprofit Corps, Refunding RB, Sharp Healthcare: 6.25%, 8/01/39	5,000	4,960,550
Series A, 6.00%, 8/01/30 (b)	2,250	2,157,795
California Health Facilities Financing Authority, RB, Providence Health Services, Series B, 5.50%, 10/01/39	190	182,320
California Health Facilities Financing Authority, Refunding RB: Catholic Healthcare West, Series A, 6.00%, 7/01/34	3,700	3,702,183

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Sutter Health, Series B, 6.00%, 8/15/42 (b)	2,800	2,749,376
California Statewide Communities Development Authority, RB, Health Facility, Memorial Health Services, Series A, 6.00%, 10/01/23	4,915	5,062,155
City of Newport Beach California, RB, Hoag Memorial Hospital Presbyterian, 6.00%, 12/01/40 (b)	1,070	1,065,474
City of Torrance California, RB, Torrance Memorial Medical Center, Series A, 5.00%, 9/01/40	5,350	4,478,004
		24,357,857

### State 3.3%

California Community College Financing Authority, RB, Grossmont-Palomar-Shasta, Series A (NPFGC), 5.63%, 4/01/26	2,180	2,179,934
California State Public Works Board, RB, Department of Education, Riverside Campus Project, Series B, 6.50%, 4/01/34	3,670	3,767,659
California State University, Refunding RB, Systemwide, Series C (NPFGC), 5.00%, 11/01/28	12,000	11,481,720
		17,429,313

### Transportation 19.0%

City of Fresno California, RB, Series B, AMT (AGM), 5.50%, 7/01/20	4,455	4,559,069
City of San Jose California, RB, Series D (NPFGC), 5.00%, 3/01/28	7,500	7,289,850
County of Orange California, RB, Series B, 5.75%, 7/01/34	6,345	6,564,474

<b>Municipal Bonds</b>	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	
<b>California (continued)</b>		
<b>Transportation (concluded)</b>		
County of Sacramento California, RB, Senior Series B: 5.75%, 7/01/39	\$ 2,650	\$ 2,635,160
AMT (AGM), 5.75%, 7/01/28	13,170	13,311,709
AMT (AGM), 5.25%, 7/01/33	19,525	18,071,168
Los Angeles Harbor Department, RB, Series B, 5.25%, 8/01/34	5,530	5,377,261
Port of Oakland, RB, Series K, AMT (NPFGC), 5.75%, 11/01/29	19,660	18,685,061
San Francisco City & County Airports Commission, RB,		

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Series E, 6.00%, 5/01/39	9,650	9,933,324
San Francisco City & County Airports Commission, Refunding RB, Second Series 34E, AMT (AGM), 5.75%, 5/01/24	5,000	5,186,200
San Mateo County Transportation Authority, Refunding RB, Series A (NPFGC), 5.00%, 6/01/32	10,000	9,705,700
		101,318,976
<b>Utilities 33.7%</b>		
California State Department of Water Resources, Refunding RB, Water System, Series AG, 5.00%, 12/01/28	4,450	4,490,851
City of Escondido California, COP, Refunding, Series A (NPFGC), 5.75%, 9/01/24	465	471,059
City of Glendale California, RB (AGC), 5.00%, 2/01/31	5,030	4,881,514
City of Los Angeles California, Refunding RB, Sub-Series A, 5.00%, 6/01/32	3,000	2,926,770
City of Santa Clara California, RB, Sub-Series A (NPFGC), 5.00%, 7/01/28	6,050	6,028,825
Dublin-San Ramon Services District, Refunding RB, 6.00%, 8/01/41	4,000	4,046,160
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/33	6,545	6,544,542
East Valley Water District Financing Authority, Refunding RB, 5.00%, 10/01/40	4,070	3,773,663
Eastern Municipal Water District, COP, Series H, 5.00%, 7/01/33	2,500	2,352,225
Los Angeles County Sanitation Districts Financing Authority, Refunding RB, Capital Project 14 (BHAC), 5.00%, 10/01/34	7,915	7,637,658
Los Angeles Department of Water & Power, RB (AMBAC), System:		
Sub-Series A-1, 5.00%, 7/01/36	4,610	4,411,678
Sub-Series A-2, 5.00%, 7/01/35	1,150	1,103,000
Metropolitan Water District of Southern California, RB, Series B-1 (NPFGC), 5.00%, 10/01/33	9,000	8,879,220
Oxnard Financing Authority, RB (NPFGC): Project, 5.00%, 6/01/31	10,000	9,196,700
Redwood Trunk Sewer & Headworks, Series A, 5.25%, 6/01/34	13,000	12,574,640
Sacramento City Financing Authority California, Refunding RB (NPFGC), 5.00%, 12/01/29	8,775	8,013,857

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Sacramento Municipal Utility District, RB (NPFGC):

Cosumnes Project, 5.13%, 7/01/29	36,760	36,177,354
Series R, 5.00%, 8/15/33	22,150	21,337,759

San Francisco City & County Public Utilities

Commission, RB:

Series A (NPFGC), 5.00%, 11/01/32	15,000	14,629,800
Series B, 5.00%, 11/01/30	14,000	13,723,500

Turlock Public Financing Authority California, RB,

Series A (NPFGC), 5.00%, 9/15/33	6,655	6,334,362
		179,535,137

**Total Municipal Bonds 117.4%**

624,812,019

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (c)	Par (000)	Value
<b>California 61.3%</b>		
<b>Corporate 7.5%</b>		
San Francisco Bay Area Rapid Transit District, Refunding RB, Series A (NPFGC), 5.00%, 7/01/30	\$ 23,100	\$ 23,099,076
University of California, RB, Limited Project, Series B (AGM), 5.00%, 5/15/33	17,397	16,739,348
		39,838,424
<b>County/City/Special District/School District 27.1%</b>		
Contra Costa Community College District California, GO, Election of 2002 (NPFGC), 5.00%, 8/01/28	7,800	7,639,710
Desert Community College District California, GO, Series C (AGM), 5.00%, 8/01/37	16,530	15,190,078
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC), 5.00%, 8/01/32	6,647	6,247,263
Election of 2003, Series E (AGM), 5.00%, 8/01/31	11,216	10,610,548
Election of 2008, Series A, 6.00%, 8/01/33	9,596	10,151,438
Ohlone Community College District, GO, Ohlone, Series B (AGM), 5.00%, 8/01/30	16,518	15,727,503
Peralta Community College District, GO, Election of 2000, Series D (AGM), 5.00%, 8/01/35	15,490	14,754,535
Poway Unified School District, GO, Election of 2002, Improvement District 02, Series 1-B (AGM), 5.00%, 8/01/30	10,000	9,372,400
San Bernardino Community College District California, GO, Election of 2002, Series C (AGM), 5.00%, 8/01/31	17,770	16,582,253
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	12,549	12,097,376
San Francisco Bay Area Transit Financing Authority, Refunding RB, Series A (NPFGC), 5.00%, 7/01/34	2,499	2,458,546
San Jose Financing Authority, Refunding RB, Civic Center Project, Series B (AMBAC), 5.00%, 6/01/32	14,800	13,529,272
Vista Unified School District California, GO, Series A (AGM), 5.25%, 8/01/25	10,016	10,119,983
		144,480,905
<b>Education 8.2%</b>		

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Chaffey Community College District, GO, Election of 2002, Series B (NPFGC), 5.00%, 6/01/30	9,905	9,409,150
Peralta Community College District, GO, Peralta Community College (AGM), 5.00%, 8/01/32	6,980	6,484,909
Riverside Community College District, GO, Election of 2004, Series C (NPFGC), 5.00%, 8/01/32	8,910	8,395,091
University of California, RB: Limited Project, Series D (AGM), 5.00%, 5/15/41	8,000	7,616,240
Series O, 5.75%, 5/15/34	11,190	11,877,625
		43,783,015
<b>Utilities 18.5%</b>		
City of Napa California, RB (AMBAC), 5.00%, 5/01/35	9,100	8,669,388
East Bay Municipal Utility District, RB, Sub-Series A (NPFGC), 5.00%, 6/01/35	12,070	11,754,249
East Bay Municipal Utility District, Refunding RB, Sub-Series A (AMBAC), 5.00%, 6/01/37	14,510	14,403,932
Los Angeles Department of Water & Power, RB (AGM): Power System, Sub-Series A-1, 5.00%, 7/01/31	4,993	4,830,914
System, Sub-Series A-2, 5.00%, 7/01/35	7,500	7,193,475
Metropolitan Water District of Southern California, RB, Series A (AGM), 5.00%, 7/01/35	12,870	12,690,850
Rancho Water District Financing Authority, Refunding RB, Series A (AGM), 5.00%, 8/01/34	5,008	4,768,819
Sacramento Regional County Sanitation District, RB, Sacramento Regional County Sanitation (NPFGC), 5.00%, 12/01/36	4,500	4,329,270
<b>Municipal Bonds Transferred to</b>	<b>Par</b>	
<b>Tender Option Bond Trusts (c)</b>	<b>(000)</b>	<b>Value</b>
<b>California (concluded)</b>		
<b>Utilities (concluded)</b>		
San Diego County Water Authority, COP, Refunding: Series 2002-A (NPFGC), 5.00%, 5/01/32	\$ 10,000	\$ 9,644,100
Series 2008-A (AGM), 5.00%, 5/01/33	16,740	16,171,843
San Diego County Water Authority, COP, Series A (AGM), 5.00%, 5/01/31	4,000	3,871,040
		98,327,880
<b>Total Municipal Bonds Transferred to</b>		
<b>Tender Option Bond Trusts 61.3%</b>		326,430,224
<b>Total Long-Term Investments</b>		

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(Cost \$999,648,794) 178.7%		951,242,243
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF California Municipal Money Fund, 0.04% (d)(e)	11,973,467	11,973,467
<b>Total Short-Term Securities</b>		
(Cost \$11,973,467) 2.3%		11,973,467
<b>Total Investments (Cost \$1,011,622,261*) 181.0%</b>		963,215,710
<b>Other Assets Less Liabilities 0.9%</b>		5,029,260
<b>Liability for Trust Certificates, Including Interest</b>		
<b>Expense and Fees Payable (34.2)%</b>		(182,020,904)
<b>Preferred Shares, at Redemption Value (47.7)%</b>		(254,012,979)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$ 532,211,087

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 829,480,275
Gross unrealized appreciation	\$ 2,522,008
Gross unrealized depreciation	(50,641,206)
Net unrealized depreciation	\$ (48,119,198)

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

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

Counterparty	Value	Unrealized Appreciation (Depreciation)
Citigroup Global Inc.	\$3,223,269	\$(39,525)
Morgan Stanley Co. Inc.	\$2,749,376	\$ 26,572

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

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

Affiliate	Shares Held at July 31, 2010	Net Activity	Shares Held at January 31, 2011	Income
BIF California Municipal Money Fund	71,270,966	(59,297,499)	11,973,467	\$ 2,476

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

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniHoldings California Quality Fund, Inc. (MUC)

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

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

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)  
The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

<b>Valuation Inputs</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				
Investments <sup>1</sup>		\$ 951,242,243		\$ 951,242,243
Short-Term				
Securities	\$ 11,973,467			11,973,467
<b>Total</b>	\$ 11,973,467	\$ 951,242,243		\$ 963,215,710

<sup>1</sup> See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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## Schedule of Investments January 31, 2011 (Unaudited) BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey 138.3%</b>		
<b>Corporate 1.7%</b>		
New Jersey EDA, RB, Disposal, Waste M Management of New Jersey, Series A, Mandatory Put Bonds, AMT, 5.30%, 6/01/15 (a)	\$ 2,500	\$ 2,590,550
New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39	2,500	2,399,700
		4,990,250
<b>County/City/Special District/School District 17.3%</b>		
Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33	2,690	2,502,668
City of Perth Amboy New Jersey, GO, CAB (AGM) (b):		
5.44%, 7/01/32	4,605	4,079,616
5.51%, 7/01/33	1,395	1,222,173
5.59%, 7/01/37	1,470	1,267,449
County of Middlesex New Jersey, COP (NPFGC):		
5.25%, 6/15/23	1,550	1,553,627
Refunding, 5.50%, 8/01/16	1,375	1,405,484
East Orange Board of Education, COP (AGM), 5.50%, 8/01/12	4,135	4,261,986
Edgewater Borough Board of Education, GO (AGM):		
4.25%, 3/01/34	1,235	1,189,194
4.25%, 3/01/35	1,300	1,241,422
4.30%, 3/01/36	1,370	1,305,624
4.30%, 3/01/37	1,440	1,375,142
4.30%, 3/01/38	1,515	1,440,916
Essex County Improvement Authority, LRB, County Correctional Facility Project, Series A (FGIC), 5.00%, 10/01/13 (c)	4,400	4,869,304
Essex County Improvement Authority, Refunding RB, Project Consolidation (NPFGC):		
5.50%, 10/01/27	250	259,975
5.50%, 10/01/28	4,840	4,983,458

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Hudson County Improvement Authority, RB, Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44	3,600	3,619,404
Middlesex County Improvement Authority, RB, Senior Citizens Housing Project, AMT (AMBAC), 5.50%, 9/01/30	500	473,045
Monmouth County Improvement Authority, Refunding RB, Governmental Loan (AMBAC): 5.35%, 12/01/17	110	110,316
5.38%, 12/01/18	115	115,332
Morristown Parking Authority, RB (NPFGC): 5.00%, 8/01/30	1,830	1,835,032
5.00%, 8/01/33	3,000	2,960,130
New Jersey State Transit Corp., COP, Subordinate, Federal Transit Administration Grants, Series A (AGM), 5.00%, 9/15/21	2,000	2,022,400
Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37	620	530,404
Salem County Improvement Authority, RB, Finlaw Street Office Building (AGM), 5.38%, 8/15/28	400	388,712
South Jersey Port Corp., Refunding RB: 4.50%, 1/01/15	3,750	3,865,950
4.50%, 1/01/16	1,920	1,969,248
		50,848,011

### Education 20.3%

New Jersey EDA, RB: International Center For Public Health Project, University of Medicine and Dentistry (AMBAC), 6.00%, 6/01/32	5,000	4,826,500
School Facilities Construction, Series Y, 5.00%, 9/01/33	3,000	2,859,390

Municipal Bonds	Par (000)	Value
<b>New Jersey (continued)</b>		
<b>Education (concluded)</b>		
New Jersey Educational Facilities Authority, RB: Montclair State University, Series A (AMBAC), 5.00%, 7/01/21	\$ 1,200	\$ 1,234,608
Montclair State University, Series A (AMBAC),		

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5.00%, 7/01/22	2,880	2,949,811
Richard Stockton College, Series F (NPFGC),		
5.00%, 7/01/31	2,625	2,468,130
Rowan University, Series C (NPFGC),		
5.00%, 7/01/14 (c)	3,260	3,661,795
Rowan University, Series C (NPFGC),		
5.13%, 7/01/14 (c)	3,615	4,075,587
New Jersey Educational Facilities Authority, Refunding RB:		
College of New Jersey, Series D (AGM),		
5.00%, 7/01/35	9,740	9,458,806
Montclair State University, Series J (NPFGC),		
4.25%, 7/01/30	3,775	3,285,383
Ramapo College, Series I (AMBAC), 4.25%, 7/01/31	1,250	1,074,825
Ramapo College, Series I (AMBAC), 4.25%, 7/01/36	900	740,628
Rowan University, Series C (FGIC),		
5.25%, 7/01/11 (c)	240	247,308
Rowan University, Series C (FGIC),		
5.25%, 7/01/11 (c)	285	293,678
Rowan University, Series C (FGIC),		
5.25%, 7/01/11 (c)	265	273,069
Rowan University, Series C (NPFGC),		
5.25%, 7/01/17	2,135	2,188,610
Rowan University, Series C (NPFGC),		
5.25%, 7/01/18	2,535	2,597,589
Rowan University, Series C (NPFGC),		
5.25%, 7/01/19	2,370	2,427,804
Stevens Institute of Technology, Series A,		
5.00%, 7/01/27	2,800	2,606,800
Stevens Institute of Technology, Series A,		
5.00%, 7/01/34	900	791,631
William Paterson University, Series C (AGC),		
5.00%, 7/01/28	250	250,143
William Paterson University, Series C (AGC),		
4.75%, 7/01/34	4,000	3,770,640
Rutgers-State University of New Jersey, Refunding RB,		
Series F, 5.00%, 5/01/39	1,000	980,640
University of Medicine & Dentistry of New Jersey, RB,		
Series A (AMBAC), 5.50%, 12/01/27	4,740	4,741,233
University of Medicine & Dentistry of New Jersey, COP		
(NPFGC), 5.00%, 6/15/29	2,000	1,810,000
		59,614,608

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### Health 15.6%

New Jersey Health Care Facilities Financing Authority, RB:

Greystone Park Psychiatric Hospital (AMBAC),

5.00%, 9/15/23	10,775	10,764,441
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Meridian Health, Series I (AGC), 5.00%, 7/01/38	770	717,840
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Meridian Health, Series II (AGC), 5.00%, 7/01/38	6,375	5,943,158
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Meridian Health, Series V (AGC), 5.00%, 7/01/38	3,950	3,682,427
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South Jersey Hospital, 6.00%, 7/01/12 (c)	5,440	5,852,134
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Virtua Health (AGC), 5.50%, 7/01/38	1,900	1,916,454
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New Jersey Health Care Facilities Financing Authority,

Refunding RB:

AHS Hospital Corp., Series A (AMBAC),

6.00%, 7/01/13 (d)	4,000	4,474,280
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Atlantic City Medical Center, 5.75%, 7/01/12 (c)	1,525	1,631,781
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Atlantic City Medical Center, 6.25%, 7/01/12 (c)	530	570,842
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Atlantic City Medical System, 6.25%, 7/01/17	925	958,198
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Atlantic City Medical System, 5.75%, 7/01/25	1,975	1,996,804
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Hackensack University Medical (AGM),

4.63%, 1/01/30	5,480	4,837,908
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See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
<b>New Jersey (continued)</b>		
<b>Health (concluded)</b>		
New Jersey Health Care Facilities Financing Authority, Refunding RB (concluded):		
Hackensack University Medical Center (AGC), 5.13%, 1/01/27	\$ 1,500	\$ 1,470,360
Meridian Health System Obligation Group (AGM), 5.38%, 7/01/24	1,000	1,000,140
		45,816,767
<b>Housing 6.3%</b>		
New Jersey State Housing & Mortgage Finance Agency, RB:		
Capital Fund Program, Series A (AGM), 4.70%, 11/01/25	10,840	10,621,249
Series AA, 6.50%, 10/01/38	2,720	2,927,944
Series B (AGM), 1.10%, 5/01/12	2,850	2,846,808
New Jersey State Housing & Mortgage Finance Agency, Refunding RB, S/F Housing, Series T, AMT,		
4.70%, 10/01/37	800	704,064
Newark Housing Authority, RB, South Ward Police Facility (AGC):		
5.75%, 12/01/30	850	861,075
6.75%, 12/01/38	500	549,455
		18,510,595
<b>State 45.2%</b>		
Garden State Preservation Trust, RB (AGM):		
CAB, Series B, 4.58%, 11/01/23 (e)	9,000	4,965,030
CAB, Series B, 4.81%, 11/01/25 (e)	10,000	4,842,700
Election of 2005, Series A, 5.80%, 11/01/21	1,960	2,214,957
Election of 2005, Series A, 5.80%, 11/01/23	2,730	3,059,975
Garden State Preservation Trust, Refunding RB, Series C (AGM):		
5.25%, 11/01/20	5,000	5,692,000
5.25%, 11/01/21	7,705	8,699,715
New Jersey EDA, RB:		

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Cigarette Tax, 5.63%, 6/15/19	2,700	2,665,278
Cigarette Tax (Radian), 5.75%, 6/15/29	2,000	1,789,100
Cigarette Tax (Radian), 5.50%, 6/15/31	585	514,730
Cigarette Tax (Radian), 5.75%, 6/15/34	1,180	1,032,134
Liberty State Park Project, Series C (AGM), 5.00%, 3/01/22	2,670	2,787,774
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/24	1,785	1,798,620
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	4,000	3,991,800
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/26	7,500	7,382,925
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33	11,105	10,917,770
Motor Vehicle Surcharge, Series A (NPFGC), 5.00%, 7/01/34	2,000	1,829,800
School Facilities Construction, Series L (AGM), 5.00%, 3/01/30	9,000	9,002,880
School Facilities Construction, Series O, 5.25%, 3/01/23	1,420	1,475,366
School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	2,800	2,987,516
School Facilities, Series U (AMBAC), 5.00%, 9/01/37	2,500	2,359,625
New Jersey EDA, Refunding RB: New Jersey American Water Co., Inc. Project, Series B, AMT, 5.60%, 11/01/34	2,150	2,046,864
School Facilities Construction, Series N-1 (NPFGC), 5.50%, 9/01/27	1,000	1,019,620

	<b>Par</b>	<b>Value</b>
<b>Municipal Bonds</b>	<b>(000)</b>	
<b>New Jersey (continued)</b>		
<b>State (concluded)</b>		
New Jersey Educational Facilities Authority, RB, Higher Education Capital Improvement, Series A (AMBAC), 5.13%, 9/01/12 (c)	\$ 5,500	\$ 5,901,555
New Jersey Sports & Exposition Authority, RB, Series A (NPFGC), 6.00%, 3/01/13	2,400	2,409,816
New Jersey Sports & Exposition Authority,		

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Refunding RB (NPFGC):		
5.50%, 3/01/21	5,890	6,171,601
5.50%, 3/01/22	3,150	3,247,461
New Jersey Transportation Trust Fund Authority, RB, Transportation System:		
CAB, Series C (AGM), 6.71%, 12/15/32 (e)	4,050	955,354
CAB, Series C (AMBAC), 6.91%, 12/15/35 (e)	1,400	257,670
CAB, Series C (AMBAC), 6.95%, 12/15/36 (e)	5,500	939,565
Series A (AGC), 5.63%, 12/15/28	2,000	2,109,680
Series D (AGM), 5.00%, 6/15/19	5,240	5,429,950
New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System:		
Series A (AGM), 5.25%, 12/15/20	10,750	11,446,385
Series B (NPFGC), 5.50%, 12/15/21	9,165	9,786,295
State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27		
		1,064,772
		132,796,283
<b>Tobacco 1.8%</b>		
Tobacco Settlement Financing Corp. New Jersey, RB, 7.00%, 6/01/13 (c)		
	4,755	5,415,184
<b>Transportation 25.3%</b>		
Delaware River Port Authority Pennsylvania & New Jersey, RB (AGM):		
5.50%, 1/01/12	5,000	5,018,150
5.63%, 1/01/13	6,000	6,022,320
Delaware River Port Authority, RB: Port District Project, Series B (AGM), 5.63%, 1/01/26		
	2,425	2,425,994
Series D (AGC), 5.00%, 1/01/40	3,700	3,536,534
New Jersey State Turnpike Authority, RB, Growth & Income Securities, Series B (AMBAC), 5.73%, 1/01/15 (b)		
	7,615	5,758,082
New Jersey State Turnpike Authority, Refunding RB:		
Series A (AGM), 5.25%, 1/01/26	4,900	5,154,163
Series A (AGM), 5.25%, 1/01/29	2,000	2,068,240
Series A (AGM), 5.25%, 1/01/30	4,000	4,101,480
Series A (BHAC), 5.25%, 1/01/29	500	521,905
Series C (NPFGC), 6.50%, 1/01/16	910	1,062,261
Series C (NPFGC), 6.50%, 1/01/16 (d)	4,355	4,912,440
Series C-2005 (NPFGC), 6.50%, 1/01/16 (d)	255	309,675
New Jersey Transportation Trust Fund Authority, RB,		

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### Transportation System:

Series A (AGM), 5.50%, 12/15/22	150	159,872
Series A (AMBAC), 5.00%, 12/15/32	1,425	1,387,936
Series A (NPFGC), 5.75%, 6/15/24	1,205	1,277,890
Series C, 5.50%, 6/15/13 (c)	780	866,042
Port Authority of New York & New Jersey, RB:		
Consolidated One Hundred Sixty-Third Series, 5.00%, 7/15/39	4,000	3,835,920
JFK International Air Terminal, 6.00%, 12/01/42	2,500	2,359,675
Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 6.25%, 12/01/11	13,500	13,804,830
Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 6.25%, 12/01/15	1,500	1,575,570
Special Project, JFK International Air Terminal, Series 6, AMT (NPFGC), 5.75%, 12/01/25	3,000	2,867,190
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.75%, 11/01/30	5,175	5,306,911
		74,333,080

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
<b>Utilities 4.8%</b>		
Atlantic Highlands Highland Regional Sewage Authority, Refunding RB (NPFGC), 5.50%, 1/01/20	\$ 1,875	\$ 1,899,113
Essex County Utilities Authority, Refunding RB (AGC): 4.00%, 4/01/12	1,000	1,036,760
4.13%, 4/01/22	2,000	1,976,980
New Jersey EDA, RB, New Jersey American Water Co., Inc. Project, Series A, AMT (AMBAC), 5.25%, 11/01/32	3,000	2,772,870
North Hudson Sewerage Authority, Refunding RB, Series A (NPFGC), 5.13%, 8/01/20	4,335	4,426,555
Rahway Valley Sewerage Authority, RB, CAB, Series A (NPFGC), 6.43%, 9/01/28 (e)	6,600	2,167,506
		14,279,784
<b>Total Municipal Bonds in New Jersey</b>		406,604,562
<b>Guam 0.6%</b>		
<b>Utilities 0.6%</b>		
Guam Power Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/37	1,860	1,670,745
<b>Puerto Rico 13.0%</b>		
<b>County/City/Special District/School District 2.8%</b>		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.00%, 8/01/42	2,500	2,492,275
Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub-Series C (AGM), 5.13%, 8/01/42	6,120	5,692,028
		8,184,303
<b>Health 1.2%</b>		
Puerto Rico Industrial Tourist Educational Medical & Environmental Control Facilities Financing Authority, RB, Series A: Hosp Auxilio Mutuo Obligation Group (NPFGC), 6.25%, 7/01/24	1,780	1,780,801
Hospital De La Concepcion, 6.50%, 11/15/20	1,750	1,772,715
		3,553,516
<b>Housing 2.1%</b>		

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Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27	6,235	6,196,343
<b>State 1.6%</b>		
Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39	2,080	2,030,038
Puerto Rico Commonwealth Infrastructure Financing Authority, RB, CAB, Series A (AMBAC), 7.64%, 7/01/37 (e)	4,000	552,480
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/27	2,125	2,142,553 4,725,071
<b>Transportation 1.7%</b>		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGC), 5.50%, 7/01/31	5,000	4,981,500
	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>Puerto Rico (concluded)</b>		
<b>Utilities 3.6%</b>		
Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A (AGC), 5.13%, 7/01/47	\$ 6,120	\$ 5,473,422
Puerto Rico Electric Power Authority, RB, Series RR (CIFG), 5.00%, 7/01/28	4,100	3,806,850
Puerto Rico Electric Power Authority, Refunding RB, Series VV (NPFGC), 5.25%, 7/01/26	1,325	1,286,787 10,567,059
<b>Total Municipal Bonds in Puerto Rico</b>		38,207,792
<b>Total Municipal Bonds 151.9%</b>		446,483,099
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (f)</b>		
<b>New Jersey 7.1%</b>		
<b>Housing 1.7%</b>		
New Jersey State Housing & Mortgage Finance Agency, RB, Capital Fund Program, Series A (AGM), 5.00%, 5/01/27	4,790	4,908,121
<b>State 3.4%</b>		
Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28	9,160	10,053,741

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<b>Transportation 2.0%</b>		
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35	5,998	5,717,970
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 7.1%</b>		20,679,832
<b>Total Long-Term Investments (Cost \$477,267,716) 159.0%</b>		467,162,931
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF New Jersey Municipal Money Fund, 0.04% (g)(h)	8,561,022	8,561,022
<b>Total Short-Term Securities (Cost \$8,561,022) 2.9%</b>		8,561,022
<b>Total Investments (Cost \$485,828,738*) 161.9%</b>		475,723,953
<b>Other Assets Less Liabilities 1.4%</b>		4,142,757
<b>Liability for Trust Certificates, Including Interest Expense and Fees Payable (4.5)%</b>		(13,272,970)
<b>Preferred Shares, at Redemption Value (58.8)%</b>		(172,710,100)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$293,883,640

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 473,073,339
Gross unrealized appreciation	\$ 7,564,220
Gross unrealized depreciation	(18,176,536)
Net unrealized depreciation	\$ (10,612,316)

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniHoldings New Jersey Quality Fund, Inc. (MUJ)

- (a) Variable rate security. Rate shown is as of report date.
- (b) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.
- (c) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (d) Security is collateralized by Municipal or US Treasury obligations.
- (e) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (f) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.
- (g) Investments in companies considered to be an affiliate of the Fund during the period, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, as amended, were as follows:

<b>Affiliate</b>	<b>Shares Held at July 31, 2010</b>	<b>Net Activity</b>	<b>Shares Held at January 31, 2011</b>	<b>Income</b>
BIF New Jersey				
Municipal				
Money Fund	1,117,529	7,443,493	8,561,022	\$ 1,305

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

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the

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Fund's own assumptions used in determining the fair value of investments)

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements.

The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in:				
Securities:				
Long-Term				
Investments <sup>1</sup>		\$ 467,162,931		\$ 467,162,931
Short-Term				
Securities	\$ 8,561,022			8,561,022
<b>Total</b>	<b>\$ 8,561,022</b>	<b>\$ 467,162,931</b>		<b>\$ 475,723,953</b>

<sup>1</sup> See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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**Schedule of Investments** January 31, 2011 (Unaudited) **BlackRock MuniYield Investment Quality Fund (MFT)**  
 (Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Alabama 4.5%</b>		
Birmingham Special Care Facilities Financing Authority, RB, Children s Hospital (AGC):		
6.13%, 6/01/34	\$ 1,500	\$ 1,573,095
6.00%, 6/01/39	2,985	3,086,669
		4,659,764
<b>Arizona 0.4%</b>		
State of Arizona, COP, Department of Administration, Series A (AGM), 5.25%, 10/01/28		
	480	461,270
<b>California 19.4%</b>		
California Educational Facilities Authority, RB, University of Southern California, Series A, 5.25%, 10/01/38		
	1,960	1,975,837
California Health Facilities Financing Authority, Refunding RB, Sutter Health, Series B, 6.00%, 8/15/42 (a)		
	1,150	1,129,208
California State Public Works Board, RB, Various Capital Projects, Series G-1 (AGC), 5.25%, 10/01/24		
	2,000	2,041,020
California State University, RB, Systemwide, Series A (AGM), 5.00%, 11/01/39		
	1,000	917,330
County of Sacramento California, RB, Senior Series A (AGC), 5.50%, 7/01/41		
	1,400	1,355,760
Los Angeles Community College District California, GO: Election of 2001, Series A (NPFGC),		
5.00%, 8/01/32	2,780	2,612,644
Election of 2008, Series C, 5.25%, 8/01/39	1,000	946,370
Oxnard Union High School District, GO, Refunding, Election of 2004, Series A (AGM), 5.00%, 8/01/40		
	1,500	1,339,155
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30		
	885	853,131
San Diego Public Facilities Financing Authority, Refunding RB, Series B (AGC), 5.38%, 8/01/34		
	1,020	1,026,569
San Jacinto Unified School District, GO, Election of 2006 (AGM), 5.25%, 8/01/32		
	1,000	960,180
State of California, GO, Various Purpose: (AGC), 5.50%, 11/01/39		
	3,450	3,305,686
(AGM), 5.00%, 6/01/32	2,000	1,828,280

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20,291,170

**Colorado 1.6%**

Colorado Health Facilities Authority, RB, Hospital, NMC Inc. Project, Series B (AGM), 6.00%, 5/15/26	1,300	1,370,083
Regional Transportation District, COP, Series A, 5.00%, 6/01/25	305	297,964
		1,668,047

**Florida 18.2%**

County of Lee Florida, RB, Series A, AMT (AGM), 6.00%, 10/01/29	1,000	1,003,720
County of Miami-Dade Florida, RB, Miami International Airport, Series A, AMT (AGM), 5.50%, 10/01/41	2,350	2,182,821
County of Osceola Florida, RB, Series A (NPFGC), 5.50%, 10/01/27	1,100	1,104,598
County of St. John s Florida, RB (AGM), 5.00%, 10/01/31	1,275	1,225,670
Florida Housing Finance Corp., HRB, Brittany Rosemont Apartments, Series C-1, AMT (AMBAC), 6.75%, 8/01/14	570	570,781
Florida Housing Finance Corp., RB, Homeowner Mortgage, Series 11, AMT (AGM), 5.95%, 1/01/32	1,395	1,395,265
Florida Housing Finance Corp., Refunding RB, Homeowner Mortgage, Series 4, AMT (AGM), 6.25%, 7/01/22	210	212,587
Jacksonville Economic Development Commission, RB, Mayo Clinic, Series B (NPFGC), 5.50%, 11/15/36	750	735,750
Palm Beach County School District, COP, Refunding, Series D (AGM), 5.25%, 8/01/21	1,925	1,976,610

	<b>Par (000)</b>	<b>Value</b>
<b>Municipal Bonds</b>		
<b>Florida (concluded)</b>		
Santa Rosa County School Board, COP, Refunding, Series 2 (NPFGC), 5.25%, 2/01/26	\$ 1,930	\$ 1,954,511
South Broward Hospital District, RB, Hospital (NPFGC), 5.63%, 5/01/12 (b)	3,000	3,214,320
St. Lucie West Services District, RB (NPFGC), 5.25%, 10/01/34	1,000	946,810
Village Center Community Development District, RB, Series A (NPFGC):		

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5.13%, 11/01/36	1,000	778,560
5.38%, 11/01/34	1,640	1,339,880
Volusia County IDA, RB, Student Housing, Stetson University Project, Series A (CIFG), 5.00%, 6/01/35	525	413,285
		19,055,168
<b>Georgia 5.0%</b>		
City of Atlanta Georgia, RB, General, Series A (AGM), 5.00%, 1/01/40	940	873,579
County of Fulton Georgia, RB (NPFGC), 5.25%, 1/01/35	1,000	1,000,220
Gwinnett County Hospital Authority, Refunding RB, Gwinnett Hospital System, Series D (AGM), 5.50%, 7/01/41	1,375	1,282,944
Metropolitan Atlanta Rapid Transit Authority, RB, Third Indenture, Series B (AGM), 5.00%, 7/01/34	2,100	2,065,749
		5,222,492
<b>Illinois 12.6%</b>		
Chicago Board of Education Illinois, GO, Refunding, Chicago School Reform Board, Series A (NPFGC), 5.50%, 12/01/26	680	670,759
Chicago Transit Authority, RB, Federal Transit Administration Section 5309, Series A (AGC), 6.00%, 6/01/26	1,400	1,452,052
City of Chicago Illinois, GO, Refunding, Projects, Series A (AGM): 5.00%, 1/01/29	1,465	1,341,515
5.00%, 1/01/30	585	532,894
City of Chicago Illinois, RB, General, Third Lien, Series C (AGM), 5.25%, 1/01/35	835	799,880
City of Chicago Illinois, Refunding RB, Second Lien (NPFGC), 5.50%, 1/01/30	895	893,962
Illinois Municipal Electric Agency, RB, Series A (NPFGC): 5.25%, 2/01/28	1,565	1,539,099
5.25%, 2/01/35	1,250	1,197,400
Railsplitter Tobacco Settlement Authority, RB: 5.50%, 6/01/23	940	889,964
6.00%, 6/01/28	270	257,672
State of Illinois, RB: (AGM), 5.00%, 6/15/27	1,000	948,490
Build Illinois, Series B, 5.25%, 6/15/28	1,750	1,688,050
Village of Schaumburg Illinois, GO, Series B (NPFGC), 5.00%, 12/01/38	1,000	929,100

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13,140,837

### **Indiana 4.5%**

Indiana Municipal Power Agency, RB, Series A (NPFGC),

5.00%, 1/01/42

1,485

1,336,634

Indianapolis Local Public Improvement Bond Bank,

Refunding RB, Waterworks Project, Series A (AGC),

5.50%, 1/01/38

3,310

3,393,048

4,729,682

### **Kentucky 1.1%**

Kentucky Municipal Power Agency, RB, Prairie State

Project, Series A (BHAC), 5.25%, 9/01/42

1,250

1,194,363

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniYield Investment Quality Fund (MFT)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Louisiana 2.0%</b>		
Louisiana State Citizens Property Insurance Corp., RB, Series C-3 (AGC), 6.13%, 6/01/25	\$ 1,405	\$ 1,516,037
New Orleans Aviation Board Louisiana, Refunding GARB, Restructuring (AGC):		
Series A-1, 6.00%, 1/01/23	375	406,642
Series A-2, 6.00%, 1/01/23	160	173,501
		2,096,180
<b>Michigan 18.6%</b>		
City of Detroit Michigan, RB, Second Lien:		
Series B (AGM), 7.50%, 7/01/33	1,500	1,737,105
Series B (AGM), 6.25%, 7/01/36	1,800	1,888,650
Series B (AGM), 7.00%, 7/01/36	200	220,550
Series B (BHAC), 5.50%, 7/01/35	3,750	3,670,912
Series B (NPFGC), 5.50%, 7/01/29	1,640	1,550,046
System, Series A (BHAC), 5.50%, 7/01/36	2,265	2,178,024
City of Detroit Michigan, Refunding RB:		
Second Lien, Series E (BHAC), 5.75%, 7/01/31	2,270	2,279,375
Senior Lien, Series C-1 (AGM), 7.00%, 7/01/27	1,650	1,841,944
Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26	375	363,855
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGC):		
5.25%, 10/15/22	1,350	1,411,574
5.25%, 10/15/24	615	623,530
5.25%, 10/15/25	310	310,233
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,265	1,408,590
		19,484,388
<b>Minnesota 3.0%</b>		
City of Minneapolis Minnesota, Refunding RB, Fairview Health Services, Series B (AGC), 6.50%, 11/15/38	3,000	3,148,950
<b>Nevada 5.0%</b>		
County of Clark Nevada, RB:		

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Las Vegas-McCarran International Airport, Series A (AGC), 5.25%, 7/01/39	2,355	2,178,611
Subordinate Lien, Series A-2 (NPFGC), 5.00%, 7/01/36	3,500	3,091,900 5,270,511
<b>New Jersey 2.4%</b>		
New Jersey EDA, RB, School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	1,000	1,066,970
New Jersey Health Care Facilities Financing Authority, RB, Virtua Health (AGC), 5.50%, 7/01/38	1,400	1,412,124 2,479,094
<b>New York 3.5%</b>		
New York City Municipal Water Finance Authority, RB, Second General Resolution, Series EE, 5.38%, 6/15/43	525	526,759
New York City Transitional Finance Authority, RB, Fiscal 2009: Series S-3, 5.25%, 1/15/39	1,000	998,520
Series S-4 (AGC), 5.50%, 1/15/29	2,000	2,090,280 3,615,559
<b>Ohio 1.4%</b>		
Ohio Higher Educational Facility Commission, Refunding RB, Summa Health System, 2010 Project (AGC), 5.25%, 11/15/40	1,650	1,505,163
	<b>Par</b>	
<b>Municipal Bonds</b>	<b>(000)</b>	<b>Value</b>
<b>Pennsylvania 7.0%</b>		
City of Philadelphia Pennsylvania, RB, Series C (AGM): 5.00%, 8/01/35	\$ 1,615	\$ 1,519,440
5.00%, 8/01/40	2,880	2,674,973
Pennsylvania Turnpike Commission, RB, Sub-Series B (AGM), 5.25%, 6/01/39	1,455	1,386,935
Pennsylvania Turnpike Commission, Refunding RB, Sub-Series B-1 (AGM), 5.00%, 12/01/37	1,855	1,710,922 7,292,270
<b>Puerto Rico 1.4%</b>		
Puerto Rico Sales Tax Financing Corp., RB, First Sub-Series A, 6.38%, 8/01/39	1,425	1,459,229
<b>Texas 24.0%</b>		

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City of Austin Texas, Refunding RB, Series A (AGM):		
5.00%, 11/15/28	720	711,591
5.00%, 11/15/29	915	897,450
City of Dallas Texas, Refunding RB (AGC),		
5.25%, 8/15/38	450	429,831
City of Houston Texas, Refunding RB, Combined, First Lien, Series A (AGC):		
5.38%, 8/15/27	1,000	1,015,620
6.00%, 11/15/35	2,700	2,917,269
6.00%, 11/15/36	2,055	2,218,927
County of Bexar Texas, RB, Venue Project, Motor Vehicle Rental (BHAC):		
5.00%, 8/15/27	1,040	1,040,624
5.00%, 8/15/28	1,090	1,071,241
5.00%, 8/15/39	880	815,795
Dallas Area Rapid Transit, Refunding RB, Senior Lien,		
5.25%, 12/01/38	1,520	1,524,727
Frisco ISD Texas, GO, School Building (AGC),		
5.50%, 8/15/41	1,210	1,240,613
Harris County Health Facilities Development Corp., Refunding RB, Memorial Hermann Healthcare System, Series B, 7.25%, 12/01/35		
	500	536,935
Lower Colorado River Authority, Refunding RB, LCRA Transmission Services Project (AGC),		
5.50%, 5/15/36	1,155	1,140,909
Lubbock Cooper ISD Texas, GO, School Building (AGC),		
5.75%, 2/15/42	500	509,645
North Texas Tollway Authority, RB, System, First Tier, Series K-1 (AGC), 5.75%, 1/01/38		
	1,400	1,399,916
North Texas Tollway Authority, Refunding RB, System, First Tier, Series A:		
(AGC), 5.75%, 1/01/40	1,500	1,495,725
(BHAC), 5.75%, 1/01/48	1,640	1,640,837
(NPFGC), 5.13%, 1/01/28	3,500	3,363,955
Tarrant County Cultural Education Facilities Finance Corp., Refunding RB, Christus Health, Series A (AGC),		
6.50%, 7/01/37	1,100	1,126,543
		25,098,153
<b>Iowa 1.1%</b>		
Iowa Finance Authority, Refunding RB, Iowa Health System (AGC), 5.25%, 2/15/29		
	1,190	1,154,883

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### Virginia 1.1%

Virginia Public School Authority, RB, School Financing,

6.50%, 12/01/35

1,100

1,193,896

### Utah 1.5%

City of Riverton Utah, RB, IHC Health Services Inc.,

5.00%, 8/15/41

1,670

1,528,701

**Total Municipal Bonds 139.3%**

145,749,770

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniYield Investment Quality Fund (MFT)

(Percentages shown are based on Net Assets)

Municipal Bonds Transferred to Tender Option Bond Trusts (c)	Par (000)	Value
<b>Alabama 1.4%</b>		
Mobile Board of Water & Sewer Commissioners, RB (NPFGC), 5.00%, 1/01/31	\$ 1,500	\$ 1,444,980
<b>California 2.3%</b>		
San Diego Community College District California, GO, Election of 2002 (AGM), 5.00%, 5/01/30	2,500	2,409,975
<b>District of Columbia 0.8%</b>		
District of Columbia Water & Sewer Authority, RB, Series A, 6.00%, 10/01/35	750	810,723
<b>Florida 4.9%</b>		
City of Jacksonville Florida, RB, Better Jacksonville (NPFGC), 5.00%, 10/01/27	1,320	1,319,908
Hillsborough County Aviation Authority, RB, Series A, AMT (AGC), 5.50%, 10/01/38	2,499	2,336,102
Lee County Housing Finance Authority, RB, Multi-County Program, Series A-2, AMT (Ginnie Mae), 6.00%, 9/01/40	810	847,657
Manatee County Housing Finance Authority, RB, Series A, AMT (Ginnie Mae), 5.90%, 9/01/40	590	614,229
		5,117,896
<b>Illinois 2.6%</b>		
Chicago Transit Authority, Refunding RB, Federal Transit Administration Section 5309 (AGM), 5.00%, 6/01/28	2,999	2,744,493
<b>Kentucky 1.0%</b>		
Kentucky State Property & Building Commission, Refunding RB, Project No. 93 (AGC), 5.25%, 2/01/27	1,002	1,019,558
<b>Nevada 4.0%</b>		
Clark County Water Reclamation District, GO: Limited Tax, 6.00%, 7/01/38	2,010	2,151,162
Series B, 5.50%, 7/01/29	1,994	2,049,712
		4,200,874
<b>New Jersey 1.5%</b>		
New Jersey State Housing & Mortgage Finance Agency, RB, S/F Housing, Series CC, 5.25%, 10/01/29	1,620	1,590,112
<b>New York 6.0%</b>		

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New York City Municipal Water Finance Authority, RB, Series FF-2, 5.50%, 6/15/40	1,095	1,118,929
New York State Dormitory Authority, ERB, Series B, 5.25%, 3/15/38	3,250	3,258,320
New York State Thruway Authority, RB, Series G (AGM), 5.00%, 1/01/32	2,000	1,936,880
		6,314,129
<b>Texas 2.5%</b>		
City of San Antonio Texas, Refunding RB, Series A, 5.25%, 2/01/31	2,609	2,664,086
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 27.0%</b>		28,316,826
<b>Total Long-Term Investments (Cost \$178,984,840) 166.3%</b>		174,066,596

<b>Short-Term Securities</b>	<b>Shares</b>	<b>Value</b>
FFI Institutional Tax-Exempt Fund, 0.15% (d)(e)	1,555,200	\$ 1,555,200
<b>Total Short-Term Securities (Cost \$1,555,200) 1.5%</b>		1,555,200
<b>Total Investments (Cost \$180,540,040*) 167.8%</b>		175,621,796
<b>Other Assets Less Liabilities 1.0%</b>		1,092,119
<b>Liability for Trust Certificates, Including Interest Expense and Fees Payable (14.8)%</b>		(15,538,639)
<b>Preferred Shares, at Redemption Value (54.0)%</b>		(56,530,652)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$104,644,624

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$164,923,956
Gross unrealized appreciation	\$ 1,992,540
Gross unrealized depreciation	(6,819,799)
Net unrealized depreciation	\$ (4,827,259)

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

<b>Counterparty</b>	<b>Value</b>	<b>Unrealized Appreciation</b>
Morgan Stanley Co. Inc.	\$1,129,208	\$10,914

(b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium

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to par.

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

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

<b>Affiliate</b>	<b>Shares Held at July 31, 2010</b>	<b>Net Activity</b>	<b>Shares Held at January 31, 2011</b>	<b>Income</b>
FFI Institutional				
Tax-Exempt Fund	8,124,572	(6,569,372)	1,555,200	\$ 3,056

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

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniYield Investment Quality Fund (MFT)

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

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

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

The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

<b>Valuation Inputs</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				
Investments <sup>1</sup>		\$ 174,066,596		\$ 174,066,596
Short-Term				
Securities	\$ 1,555,200			1,555,200
<b>Total</b>	\$ 1,555,200	\$ 174,066,596		\$ 175,621,796

<sup>1</sup> See above Schedule of Investments for values in each state or political subdivision.

See Notes to Financial Statements.

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**Schedule of Investments** January 31, 2011 (Unaudited) **BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)**  
 (Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Michigan 140.0%</b>		
<b>Corporate 12.6%</b>		
Delta County EDC, Refunding RB, Mead Westvaco- Escanaba, Series B, AMT, 6.45%, 4/15/12 (a)	\$ 1,500	\$ 1,605,975
Dickinson County EDC Michigan, Refunding RB, International Paper Co. Project, Series A, 5.75%, 6/01/16	3,900	3,948,048
Michigan Strategic Fund, Refunding RB, Detroit Edison Co. Project, Series A, AMT (NPFGC), 5.55%, 9/01/29	10,250	9,903,858
Monroe County EDC Michigan, Refunding RB, Detroit Edison Co. Project, Series AA (NPFGC), 6.95%, 9/01/22	13,800	15,950,040
		31,407,921
<b>County/City/Special District/School District 47.5%</b>		
Adrian City School District Michigan, GO (AGM) (a): 5.00%, 5/01/14	1,600	1,791,568
5.00%, 5/01/14	2,000	2,239,460
Avondale School District Michigan, GO (AGC): 4.00%, 5/01/20	1,000	972,560
4.30%, 5/01/22	400	387,920
Bay City School District Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/36	9,000	8,285,400
Birmingham City School District Michigan, GO, School Building & Site (AGM), 5.00%, 11/01/33	1,000	970,820
Charter Township of Canton Michigan, GO, Capital Improvement (AGM): 5.00%, 4/01/25	1,840	1,839,503
5.00%, 4/01/26	2,000	1,972,680
5.00%, 4/01/27	500	501,280
City of Oak Park Michigan, GO, Street Improvement (NPFGC), 5.00%, 5/01/30	500	488,480
County of Genesee Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/19	600	625,530
County of Genesee Michigan, GO, Water Supply System (NPFGC), 5.13%, 11/01/33	1,000	939,230

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County of Wayne Michigan, GO (NPFGC):

Airport Hotel, Detroit Metropolitan Airport, Series A,

5.00%, 12/01/30	1,750	1,476,773
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Building Authority, Capital Improvement, Series A,

5.25%, 6/01/16	1,000	1,003,520
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Dearborn Brownfield Redevelopment Authority, GO,

Limited Tax, Redevelopment, Series A (AGC),

5.50%, 5/01/39	3,300	3,290,298
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Detroit City School District Michigan, GO, Refunding,

School Building & Site Improvement, Series A (AGM),

5.00%, 5/01/21	3,000	3,006,600
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Detroit City School District Michigan, GO, School

Building & Site Improvement (FGIC):

Series A, 5.38%, 5/01/13 (a)	1,300	1,428,570
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Series B, 5.00%, 5/01/28	3,100	2,837,926
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Eaton Rapids Public Schools Michigan, GO, School

Building & Site (AGM):

5.25%, 5/01/20	1,325	1,404,566
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5.25%, 5/01/21	1,675	1,745,534
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Gibraltar School District Michigan, GO, School

Building & Site:

(FGIC), 5.00%, 5/01/14 (a)	2,940	3,292,006
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(NPFGC), 5.00%, 5/01/28	710	682,175
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Grand Blanc Community Schools Michigan, GO (NPFGC),

5.63%, 5/01/20	1,100	1,130,701
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Grand Rapids Building Authority Michigan, RB, Series A

(AMBAC) (a):

5.50%, 10/01/12	435	470,292
-----------------	-----	---------

5.50%, 10/01/12	600	648,678
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	Par	
Municipal Bonds	(000)	Value

### Michigan (continued)

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

Grand Rapids Public Schools Michigan, GO, School

Building & Site (AGM), 4.13%, 5/01/11	\$ 500	\$ 504,440
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Gull Lake Community School District, GO, Refunding

(AGM), 4.00%, 5/01/26	995	896,555
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Gull Lake Community School District Michigan, GO,

School Building & Site (AGM) (a):

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5.00%, 5/01/14	2,000	2,244,220
5.00%, 5/01/14	3,625	4,067,649
Harper Creek Community School District Michigan, GO, Refunding (AGM), 5.00%, 5/01/22	1,125	1,164,094
Harper Woods School District Michigan, GO, Refunding, School Building & Site:		
(FGIC), 5.00%, 5/01/14 (a)	4,345	4,857,840
(NPFGC), 5.00%, 5/01/34	430	396,649
Jenison Public Schools Michigan, GO, Building and Site (NPFGC), 5.50%, 5/01/12 (a)	1,575	1,672,524
L Anse Creuse Public Schools Michigan, GO, School Building & Site (AGM):		
5.00%, 5/01/12	650	681,265
5.00%, 5/01/24	1,000	1,015,600
5.00%, 5/01/25	1,525	1,540,570
5.00%, 5/01/26	1,600	1,573,072
5.00%, 5/01/35	3,000	2,838,570
Lansing Building Authority Michigan, GO, Series A (NPFGC), 5.38%, 6/01/13 (a)	1,510	1,668,505
Lincoln Consolidated School District Michigan, GO, Refunding (NPFGC), 4.63%, 5/01/28	5,500	4,996,310
Livonia Public Schools School District Michigan, GO, Refunding, Series A (NPFGC), 5.00%, 5/01/24	1,000	1,000,520
Michigan State Building Authority, Facilities, Series I:		
5.50%, 10/15/11 (a)	145	150,092
5.50%, 10/15/18	2,355	2,414,864
Michigan State Building Authority, RB, Facilities Program, Series H (AGM), 5.00%, 10/15/26	4,500	4,366,260
Michigan State Building Authority, Refunding RB, Facilities Program, Series I (AGM), 5.50%, 10/15/11	12,175	12,603,195
Montrose Community Schools, GO (NPFGC), 6.20%, 5/01/17	1,000	1,158,780
New Haven Community Schools Michigan, GO, Refunding, School Building & Site (AGM), 5.00%, 5/01/23	1,500	1,527,390
Orchard View Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 11/01/13 (a)	5,320	5,913,552
Pennfield School District Michigan, GO, School Building & Site (a):		
(FGIC), 5.00%, 5/01/14	765	855,293
(NPFGC), 5.00%, 5/01/14	605	676,408
Reed City Public Schools Michigan, GO, School Building		

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& Site (AGM), 5.00%, 5/01/14 (a)	1,425	1,599,007
Rochester Community School District, GO (NPFGC), 5.00%, 5/01/19	435	465,602
Southfield Public Schools Michigan, GO, School Building & Site, Series B (AGM), 5.00%, 5/01/14 (a)	3,500	3,927,385
Thornapple Kellogg School District Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/32	2,500	2,344,275
Van Dyke Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/28	1,250	1,210,588
West Bloomfield School District Michigan, GO, Refunding (NPFGC):		
5.50%, 5/01/17	1,710	1,786,215
5.50%, 5/01/18	1,225	1,279,598
Zeeland Public Schools Michigan, GO, School Building & Site (NPFGC), 5.00%, 5/01/29	1,600	1,560,608
		118,389,565

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
<b>Michigan (continued)</b>		
<b>Education 6.4%</b>		
Eastern Michigan University, Refunding RB, General (AMBAC), 6.00%, 6/01/20	\$ 435	\$ 440,851
Grand Valley State University Michigan, RB, General (NPFGC), 5.50%, 2/01/18	2,070	2,250,235
Michigan Higher Education Facilities Authority, RB, Limited Obligation, Hillsdale College Project, 5.00%, 3/01/35	1,875	1,610,006
Michigan Higher Education Facilities Authority, Refunding RB, Limited Obligation, Creative Studies (a): 5.85%, 6/01/12	1,235	1,318,437
5.90%, 6/01/12	1,145	1,223,123
Michigan Higher Education Student Loan Authority, RB, Student Loan, Series XVII-Q, AMT (AMBAC), 5.00%, 3/01/31	3,000	2,561,940
Michigan State University, Refunding RB, General, Series C, 5.00%, 2/15/40	4,700	4,587,341
Saginaw Valley State University Michigan, Refunding RB, General (NPFGC), 5.00%, 7/01/24	2,100	2,045,862
		16,037,795
<b>Health 19.0%</b>		
Dickinson County Healthcare System, Refunding RB, Series A (ACA), 5.80%, 11/01/24	3,100	3,126,598
Flint Hospital Building Authority Michigan, Refunding RB, Hurley Medical Center (ACA): 6.00%, 7/01/20	1,205	1,129,133
Series A, 5.38%, 7/01/20	615	547,817
Kalamazoo Hospital Finance Authority, RB, Bronson Methodist Hospital (AGM), 5.25%, 5/15/36	4,750	4,358,172
Kent Hospital Finance Authority Michigan, RB, Spectrum Health, Series A (NPFGC), 5.50%, 7/15/11 (a)	3,000	3,098,760
Kent Hospital Finance Authority Michigan, Refunding RB, Butterworth, Series A (NPFGC), 7.25%, 1/15/13 (b)	1,170	1,249,513
Michigan State Hospital Finance Authority, RB:		

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Ascension Health Senior Credit Group, 5.00%, 11/15/25	3,700	3,661,631
Hospital, MidMichigan Obligation Group, Series A (AMBAC), 5.50%, 4/15/18	2,530	2,560,664
McLaren Health Care, Series C, 5.00%, 8/01/35	1,000	887,700
MidMichigan Obligation Group, Series A, 5.00%, 4/15/36	1,750	1,497,668
Michigan State Hospital Finance Authority, Refunding RB: Henry Ford Health System, Series A, 5.25%, 11/15/46	2,500	2,079,000
Hospital, Crittenton, Series A, 5.63%, 3/01/27	2,050	1,921,055
Hospital, Oakwood Obligation Group, Series A, 5.00%, 7/15/25	3,260	3,003,699
Hospital, Oakwood Obligation Group, Series A, 5.00%, 7/15/37	630	521,665
Hospital, Sparrow Obligated, 5.00%, 11/15/31	3,100	2,757,822
McLaren Health Care, 5.75%, 5/15/38	4,500	4,408,560
Trinity Health Credit, Series A, 6.25%, 12/01/28	930	969,618
Trinity Health Credit, Series A, 6.50%, 12/01/33	1,000	1,047,950
Trinity Health Credit, Series C, 5.38%, 12/01/23	1,000	1,004,680
Trinity Health Credit, Series C, 5.38%, 12/01/30	3,755	3,525,983
Trinity Health Credit, Series D, 5.00%, 8/15/34	3,100	2,754,567
Royal Oak Hospital Finance Authority Michigan, Refunding RB, William Beaumont Hospital, 8.25%, 9/01/39	1,000	1,113,510
		47,225,765

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>Michigan (concluded)</b>		
<b>Housing 6.2%</b>		
Michigan State HDA, RB:		
Deaconess Tower AMT (Ginnie Mae), 5.25%, 2/20/48	\$ 1,000	\$ 927,390
Series A, 4.75%, 12/01/25	4,400	4,067,140
Series A, 6.00%, 10/01/45	6,990	6,923,805
Series A, AMT (NPFGC), 5.30%, 10/01/37	130	122,565
Williams Pavilion, AMT (Ginnie Mae), 4.75%, 4/20/37	3,890	3,452,647
		15,493,547

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### State 11.8%

Michigan Municipal Bond Authority, RB, Local Government Loan Program, Group A (AMBAC), 5.50%, 11/01/20	1,065	1,041,740
Michigan Municipal Bond Authority, Refunding RB, Local Government, Charter County Wayne, Series B (AGC): 5.00%, 11/01/14	2,400	2,625,024
5.00%, 11/01/15	1,500	1,629,750
5.00%, 11/01/16	500	550,765
5.38%, 11/01/24	125	130,285
Michigan State Building Authority, Refunding RB: Facilities Program, Series I, 6.25%, 10/15/38	3,900	4,086,303
Facilities Program, Series I (AGC), 5.25%, 10/15/24	4,000	4,055,480
Facilities Program, Series I (AGC), 5.25%, 10/15/25	2,000	2,001,500
Facilities Program, Series I (AGC), 5.25%, 10/15/26	600	593,004
Facilities Program, Series II (NPFGC), 5.00%, 10/15/29	3,500	3,231,445
Series IA (NPFGC), 5.00%, 10/15/32	2,500	2,292,150
State of Michigan, COP (AMBAC), 5.37%, 6/01/22 (b)(c)	3,000	1,892,010
State of Michigan, RB, GAN (AGM), 5.25%, 9/15/27	5,250	5,272,995
		29,402,451

### Transportation 13.3%

Sturgis Building Authority, RB, Sturgis Hospital Project (NPFGC), 4.75%, 10/01/34	475	418,979
Wayne County Airport Authority, RB, Detroit Metropolitan Wayne County Airport, AMT (NPFGC): 5.25%, 12/01/25	7,525	6,947,306
5.25%, 12/01/26	6,300	5,730,858
5.00%, 12/01/34	9,160	7,448,637
Wayne County Airport Authority, Refunding RB, AMT (AGC): 5.75%, 12/01/25	4,000	3,887,000
5.75%, 12/01/26	1,000	959,790
5.38%, 12/01/32	8,700	7,642,254
		33,034,824

### Utilities 23.2%

City of Detroit Michigan, RB: Second Lien, Series B (AGM), 7.00%, 7/01/36	3,000	3,308,250
Second Lien, Series B (NPFGC), 5.00%, 7/01/34	2,420	2,109,345
Second Lien, Series B (NPFGC), 5.00%, 7/01/13 (a)	1,550	1,697,653
Senior Lien, Series A (AGM), 5.00%, 7/01/25	4,000	3,772,080
Senior Lien, Series A (FGIC), 5.75%, 7/01/11 (a)	5,250	5,411,542

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Senior Lien, Series A (NPFGC), 5.00%, 7/01/34	6,900	6,140,862
Series B (NPFGC), 5.25%, 7/01/13 (a)	11,790	12,983,384
City of Detroit Michigan, Refunding RB:		
Second Lien, Series C (AGM), 5.00%, 7/01/29	10,570	9,379,289
(FGIC), 6.25%, 7/01/12 (b)	525	548,331
City of Grand Rapids Michigan, RB (NPFGC), 5.00%, 1/01/34	11,385	11,051,989
Michigan Municipal Bond Authority, RB, Clean Water Revolving-Pooled, 5.00%, 10/01/27	1,240	1,267,590
		57,670,315
<b>Total Municipal Bonds in Michigan</b>		<b>348,662,183</b>

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniYield Michigan Quality Fund, Inc. (MIY)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Guam 1.1%</b>		
<b>County/City/Special District/School District 0.5%</b>		
Territory of Guam, RB, Section 30, Series A, 5.63%, 12/01/29	\$ 1,400	\$ 1,347,220
<b>Utilities 0.6%</b>		
Guam Power Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/37	1,565	1,405,761
<b>Total Municipal Bonds in Guam</b>		2,752,981
<b>Puerto Rico 6.4%</b>		
<b>County/City/Special District/School District 1.9%</b>		
Puerto Rico Sales Tax Financing Corp., Refunding RB, First Sub-Series C (AGM), 5.13%, 8/01/42	5,100	4,743,357
<b>Housing 0.8%</b>		
Puerto Rico Housing Finance Authority, Refunding RB, Subordinate, Capital Fund Modernization, 5.13%, 12/01/27	2,000	1,987,600
<b>State 2.1%</b>		
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/27	2,100	2,117,346
Puerto Rico Sales Tax Financing Corp., Refunding RB, CAB, Series A (NPFGC) (c): 5.19%, 8/01/43	12,500	1,397,375
5.00%, 8/01/46	20,000	1,754,400
		5,269,121
<b>Transportation 1.6%</b>		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGC), 5.50%, 7/01/31	4,000	3,985,200
<b>Total Municipal Bonds in Puerto Rico</b>		15,985,278
<b>Total Municipal Bonds 147.6%</b>		367,400,442
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>		
<b>Michigan 11.9%</b>		
<b>Corporate 4.6%</b>		
Wayne State University, Refunding RB, General (AGM),		

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5.00%, 11/15/35	12,210	11,642,113
<b>County/City/Special District/School District 2.6%</b>		
Lakewood Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/37	6,470	6,428,721
<b>Education 4.7%</b>		
Portage Public Schools Michigan, GO, School Building & Site (AGM), 5.00%, 5/01/31	4,650	4,477,671
Saginaw Valley State University, Refunding RB, General (AGM), 5.00%, 7/01/31	7,500	7,184,925
		11,662,596
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 11.9%</b>		29,733,430
<b>Total Long-Term Investments (Cost \$408,141,276) 159.5%</b>		397,133,872
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF Michigan Municipal Money Fund, 0.00% (e)(f)	9,306,299	9,306,299
<b>Total Short-Term Securities (Cost \$9,306,299) 3.7%</b>		9,306,299
		<b>Value</b>
<b>Total Investments (Cost \$417,447,575*) 163.2%</b>		\$406,440,171
<b>Other Assets Less Liabilities 1.4%</b>		3,435,466
<b>Liability for Trust Certificates, Including Interest Expense and Fees Payable (6.5)%</b>		(16,199,573)
<b>Preferred Shares, at Redemption Value (58.1)%</b>		(144,665,491)
<b>Net Assets Applicable to Common Shares 100.0%</b>		\$249,010,573

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$401,484,647
Gross unrealized appreciation	\$ 9,626,759
Gross unrealized depreciation	(20,861,235)
Net unrealized depreciation	\$ (11,234,476)

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

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

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

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

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

<b>Affiliate</b>	<b>Shares Held at July 31, 2010</b>	<b>Net Activity</b>	<b>Shares Held at January 31, 2011</b>	<b>Income</b>
BIF Michigan Municipal Money Fund	1,734,583	7,571,716	9,306,299	

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

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

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

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)  
The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

<b>Valuation Inputs</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets:</b>				
Investments in Securities:				
Long-Term Investments <sup>1</sup>		\$ 397,133,872		\$ 397,133,872
Short-Term Securities	\$ 9,306,299			9,306,299

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<b>Total</b>	\$ 9,306,299	\$ 397,133,872	\$ 406,440,171
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See Notes to Financial Statements.

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**Schedule of Investments** January 31, 2011 (Unaudited) **BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)**  
 (Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey 130.2%</b>		
<b>Corporate 4.0%</b>		
New Jersey EDA, Refunding RB, New Jersey American Water Co., Inc. Project, Series A, AMT, 5.70%, 10/01/39	\$ 5,000	\$ 4,799,400
<b>County/City/Special District/School District 16.2%</b>		
Borough of Hopatcong New Jersey, GO, Refunding, Sewer (AMBAC), 4.50%, 8/01/33	750	697,770
City of Perth Amboy New Jersey, GO, CAB (AGM), 5.17%, 7/01/35 (a)	1,250	1,082,500
County of Hudson New Jersey, COP, Refunding (NPFGC), 6.25%, 12/01/16	1,000	1,144,250
County of Middlesex New Jersey, COP, Refunding (NPFGC), 5.00%, 8/01/22	3,000	3,002,790
Edgewater Borough Board of Education, GO (AGM): 4.25%, 3/01/34	300	288,873
4.25%, 3/01/35	300	286,482
4.30%, 3/01/36	300	285,903
4.30%, 3/01/37	300	286,488
4.30%, 3/01/38	300	285,330
Essex County Improvement Authority, Refunding RB, AMT (NPFGC), 4.75%, 11/01/32	1,000	829,780
Hudson County Improvement Authority, RB: CAB, Series A-1 (NPFGC), 4.51%, 12/15/32 (b)	1,000	235,890
Harrison Parking Facility Project, Series C (AGC), 5.38%, 1/01/44	1,400	1,407,546
Monmouth County Improvement Authority, RB, Governmental Loan (AMBAC): 5.00%, 12/01/17	605	611,286
5.00%, 12/01/18	545	549,306
5.00%, 12/01/18 (c)	975	1,012,664
5.00%, 12/01/19	560	563,220
5.00%, 12/01/19 (c)	980	1,017,857
Monmouth County Improvement Authority, Refunding RB, Governmental Loan (AMBAC):		

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5.20%, 12/01/14	30	30,056
5.25%, 12/01/15	100	100,156
Morristown Parking Authority, RB (NPFGC), 4.50%, 8/01/37	1,355	1,203,375
New Jersey State Transit Corp., COP, Subordinate, Federal Transit Administration Grants, Series A (AGM), 5.00%, 9/15/21	1,000	1,011,200
Newark Housing Authority, Refunding RB, Newark Redevelopment Project (NPFGC), 4.38%, 1/01/37	3,600	3,079,764
Salem County Improvement Authority, RB, Finlaw Street Office Building (AGM), 5.38%, 8/15/28	620	602,504
		19,614,990
<b>Education 26.0%</b>		
New Jersey Educational Facilities Authority, RB: Montclair State University, Series A (AMBAC), 5.00%, 7/01/21	1,600	1,646,144
Rowan University, Series C (NPFGC), 5.00%, 7/01/14 (c)	1,185	1,331,051
New Jersey Educational Facilities Authority, Refunding RB: College of New Jersey, Series D (AGM), 5.00%, 7/01/35	3,805	3,695,150
Montclair State University, Series J (NPFGC), 4.25%, 7/01/30	2,895	2,519,518
Ramapo College, Series I (AMBAC), 4.25%, 7/01/31	1,250	1,074,825
Ramapo College, Series I (AMBAC), 4.25%, 7/01/36	3,890	3,201,159
Rowan University, Series B (AGC), 5.00%, 7/01/26	2,575	2,619,573
Stevens Institute of Technology, Series A, 5.00%, 7/01/34	1,500	1,319,385

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (continued)</b>		
<b>Education (concluded)</b>		
New Jersey Educational Facilities Authority, Refunding RB (concluded): William Paterson University, Series C (AGC), 4.75%, 7/01/34	\$ 1,115	\$ 1,051,066
William Paterson University, Series E (Syncora), 5.00%, 7/01/21	1,725	1,732,417
New Jersey State Higher Education Assistance Authority,		

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RB, Series A, AMT (AMBAC), 5.30%, 6/01/17	3,565	3,568,280
Rutgers-State University of New Jersey, Refunding RB, Series F, 5.00%, 5/01/39	4,000	3,922,560
University of Medicine & Dentistry of New Jersey, RB, Series A (AMBAC):		
5.50%, 1/07/18	570	582,523
5.50%, 1/07/19	1,145	1,165,461
5.50%, 1/07/20	1,130	1,144,634
5.50%, 1/07/21	865	874,230
		31,447,976
<b>Health 11.6%</b>		
New Jersey Health Care Facilities Financing Authority, RB:		
Meridian Health, Series I (AGC), 5.00%, 7/01/38	745	694,534
Meridian Health, Series II (AGC), 5.00%, 7/01/38	1,000	932,260
Meridian Health, Series V (AGC), 5.00%, 7/01/38	750	699,195
South Jersey Hospital, 6.00%, 7/01/12 (c)	4,000	4,303,040
Virtua Health (AGC), 5.50%, 7/01/38	1,000	1,008,660
New Jersey Health Care Facilities Financing Authority, Refunding RB:		
Atlantic City Medical Center, 6.25%, 7/01/17 (c)	290	312,347
Atlantic City Medical Center, 5.75%, 7/01/25 (c)	525	561,761
Atlantic City Medical System, 6.25%, 7/01/17	325	336,664
Atlantic City Medical System, 5.75%, 7/01/25	790	798,722
Hackensack University Medical (AGM), 4.63%, 1/01/30	2,315	2,043,751
Meridian Health System Obligation Group (AGM), 5.25%, 7/01/19	2,250	2,251,732
		13,942,666
<b>Housing 9.2%</b>		
New Jersey State Housing & Mortgage Finance Agency, RB:		
Capital Fund Program, Series A (AGM), 4.70%, 11/01/25	4,325	4,237,721
Home Buyer, Series CC, AMT (NPFGC), 5.80%, 10/01/20	2,640	2,723,820
Series A, AMT (FGIC), 4.90%, 11/01/35	820	737,483
Series AA, 6.50%, 10/01/38	1,075	1,157,184
Series B (AGM), 1.10%, 5/01/12	1,150	1,148,712
New Jersey State Housing & Mortgage Finance Agency, Refunding RB, S/F Housing, Series T, AMT, 4.70%, 10/01/37	500	440,040
Newark Housing Authority, RB, South Ward Police		

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Facility (AGC):

5.75%, 12/01/30	400	405,212
6.75%, 12/01/38	250	274,728
		11,124,900

**State 37.2%**

Garden State Preservation Trust, RB (AGM):

CAB, Series B, 5.12%, 11/01/23 (b)	6,725	3,709,981
Election of 2005, Series A, 5.80%, 11/01/22	2,605	2,941,748

New Jersey EDA, RB:

CAB, Motor Vehicle Surcharge, Series R (NPFGC),

4.95%, 7/01/21 (b)	2,325	1,306,557
Cigarette Tax, 5.63%, 6/15/19	1,060	1,046,368
Cigarette Tax (Radian), 5.75%, 6/15/29	785	702,222
Cigarette Tax (Radian), 5.50%, 6/15/31	225	197,973

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniYield New Jersey Quality Fund, Inc. (MJI)

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
<b>New Jersey (continued)</b>		
<b>State (concluded)</b>		
New Jersey EDA, RB (concluded):		
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/25	\$ 1,000	\$ 997,950
Motor Vehicle Surcharge, Series A (NPFGC), 5.00%, 7/01/29	3,900	3,803,592
Motor Vehicle Surcharge, Series A (NPFGC), 5.25%, 7/01/33	8,500	8,356,690
Motor Vehicle Surcharge, Series A (NPFGC), 5.00%, 7/01/34	1,765	1,614,798
School Facilities Construction, Series Z (AGC), 6.00%, 12/15/34	1,200	1,280,364
School Facilities, Series U (AMBAC), 5.00%, 9/01/37	1,000	943,850
New Jersey EDA, Refunding RB:		
New Jersey American Water Co., Inc. Project, Series B, AMT, 5.60%, 11/01/34	1,000	952,030
School Facilities Construction, Series K (NPFGC), 5.25%, 12/15/17	750	815,400
New Jersey Sports & Exposition Authority, Refunding RB (NPFGC):		
5.50%, 3/01/21	1,540	1,613,627
5.50%, 3/01/22	1,050	1,082,487
New Jersey Transportation Trust Fund Authority, RB:		
CAB, Transportation System, Series C (AGM), 4.85%, 12/15/32 (b)	4,750	1,120,478
CAB, Transportation System, Series C (AMBAC), 5.05%, 12/15/35 (b)	2,760	507,978
Transportation System, Series A (AGC), 5.63%, 12/15/28	780	822,775
Transportation System, Series D (AGM), 5.00%, 6/15/19	3,000	3,108,750
New Jersey Transportation Trust Fund Authority, Refunding RB, Transportation System:		

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Series A (AGM), 5.25%, 12/15/20	4,250	4,525,315
Series B (NPFGC), 5.50%, 12/15/21	1,000	1,067,790
State of New Jersey, COP, Equipment Lease Purchase, Series A, 5.25%, 6/15/27	500	492,950
State of New Jersey, GO, Refunding, Series D (NPFGC), 6.00%, 2/15/13	1,725	1,890,100
		44,901,773
<b>Tobacco 1.6%</b>		
Tobacco Settlement Financing Corp. New Jersey, RB, 7.00%, 6/01/13 (c)	1,715	1,953,111
<b>Transportation 13.6%</b>		
Delaware River Port Authority, RB, Series D (AGC), 5.00%, 1/01/40	1,500	1,433,730
New Jersey State Turnpike Authority, RB, Growth & Income Securities, Series B (AMBAC), 4.92%, 1/01/15 (b)	3,005	2,272,231
New Jersey State Turnpike Authority, Refunding RB, Series A (AGM), 5.25%, 1/01/29	2,000	2,068,240
New Jersey Transportation Trust Fund Authority, RB, Transportation System, Series A: (AGM), 5.50%, 12/15/22	150	159,871
(AMBAC), 5.00%, 12/15/32	730	711,013
Port Authority of New York & New Jersey, RB: Consolidated, 93rd Series, 6.13%, 6/01/94	1,000	1,121,950
JFK International Air Terminal, 6.00%, 12/01/42	1,500	1,415,805
Port Authority of New York & New Jersey, Refunding RB, Consolidated: 152nd Series, AMT, 5.75%, 11/01/30	2,000	2,050,980
155th Series, AMT (AGM), 4.25%, 12/01/32	5,000	4,210,900
163rd Series, 5.00%, 7/15/39	1,000	958,980
		16,403,700

	Par	
	(000)	Value
<b>Municipal Bonds</b>		
<b>New Jersey (concluded)</b>		
<b>Utilities 10.8%</b>		
Essex County Utilities Authority, Refunding RB (AGC), 4.13%, 4/01/22	\$ 1,000	\$ 988,490
Jersey City Municipal Utilities Authority, Refunding RB (AMBAC), 6.25%, 1/01/14	2,870	3,076,554
New Jersey EDA, RB, New Jersey American Water Co., Inc.		

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Project, Series A, AMT (AMBAC), 5.25%, 11/01/32	1,000	924,290
New Jersey EDA, Refunding RB, United Water of		
New Jersey Inc., Series B (AMBAC), 4.50%, 11/01/25	1,000	952,210
North Hudson Sewerage Authority, Refunding RB,		
Series A (NPFGC), 5.13%, 8/01/20	1,710	1,746,115
Rahway Valley Sewerage Authority, RB, CAB, Series A		
(NPFGC) (b):		
4.74%, 9/01/26	4,100	1,582,559
4.41%, 9/01/33	2,350	535,307
Union County Utilities Authority, Refunding RB, Senior		
Lease, Ogden Martin, Series A, AMT (AMBAC):		
5.38%, 1/03/17	1,590	1,591,065
5.38%, 1/03/18	1,670	1,670,601
		13,067,191
<b>Total Municipal Bonds in New Jersey</b>		<b>157,255,707</b>
<b>Guam 0.6%</b>		
<b>Utilities 0.6%</b>		
Guam Power Authority, Refunding RB, Series A (AGM),		
5.00%, 10/01/37	735	660,214
<b>Puerto Rico 16.1%</b>		
<b>County/City/Special District/School District 2.7%</b>		
Puerto Rico Sales Tax Financing Corp., RB, First		
Sub-Series A, 6.00%, 8/01/42	1,000	996,910
Puerto Rico Sales Tax Financing Corp., Refunding RB,		
First Sub-Series C (AGM), 5.13%, 8/01/42	2,380	2,213,567
		3,210,477
<b>Education 2.1%</b>		
Puerto Rico Industrial Tourist Educational Medical		
& Environmental Control Facilities Financing Authority,		
RB, University Plaza Project, Series A (NPFGC),		
5.00%, 7/01/33	3,000	2,599,530
<b>Health 3.5%</b>		
Puerto Rico Industrial Tourist Educational Medical		
& Environmental Control Facilities Financing		
Authority, RB, Hospital De La Concepcion, Series A,		
6.13%, 11/15/30	4,220	4,241,269
<b>Housing 0.8%</b>		
Puerto Rico Housing Finance Authority, Refunding RB,		
Subordinate, Capital Fund Modernization,		
5.13%, 12/01/27	1,000	993,800
<b>State 3.1%</b>		

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Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series C, 6.00%, 7/01/39	2,000	1,951,960
Puerto Rico Commonwealth Infrastructure Financing Authority, RB, CAB, Series A (b):		
(AMBAC), 4.37%, 7/01/37	2,250	310,770
(FGIC), 4.49%, 7/01/30	2,750	684,502
Puerto Rico Public Buildings Authority, Refunding RB, Government Facilities, Series M-3 (NPFGC), 6.00%, 7/01/27	850	857,021
		3,804,253

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniYield New Jersey Quality Fund, Inc. (MJJ)

(Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Puerto Rico (concluded)</b>		
<b>Transportation 1.0%</b>		
Puerto Rico Highway & Transportation Authority, Refunding RB, Series CC (AGC), 5.50%, 7/01/31	\$ 1,185	\$ 1,180,616
<b>Utilities 2.9%</b>		
Puerto Rico Aqueduct & Sewer Authority, RB, Senior Lien, Series A (AGC), 5.13%, 7/01/47	1,750	1,565,112
Puerto Rico Electric Power Authority, RB: Series RR (CIFG), 5.00%, 7/01/28	1,000	928,500
Series XX, 5.75%, 7/01/36	1,000	962,510
		3,456,122
<b>Total Municipal Bonds in Puerto Rico</b>		19,486,067
<b>Total Municipal Bonds 146.9%</b>		177,401,988
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (d)</b>		
<b>New Jersey 6.1%</b>		
<b>Housing 1.7%</b>		
New Jersey State Housing & Mortgage Finance Agency, RB, Capital Fund Program, Series A (AGM), 5.00%, 5/01/27	1,980	2,028,827
<b>State 3.0%</b>		
Garden State Preservation Trust, RB, Election of 2005, Series A (AGM), 5.75%, 11/01/28	3,300	3,621,981
<b>Transportation 1.4%</b>		
Port Authority of New York & New Jersey, Refunding RB, Consolidated, 152nd Series, AMT, 5.25%, 11/01/35	1,829	1,743,981
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 6.1%</b>		7,394,789
<b>Total Long-Term Investments (Cost \$191,515,011) 153.0%</b>		184,796,777
<b>Short-Term Securities</b>	<b>Shares</b>	
BIF New Jersey Municipal Money Fund, 0.42% (e)(f)	4,217,261	4,217,261
<b>Total Short-Term Securities (Cost \$4,217,261) 3.5%</b>		4,217,261
<b>Total Investments (Cost \$195,732,272*) 156.5%</b>		189,014,038

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<b>Other Assets Less Liabilities</b> 0.8%	948,766
<b>Liability for Trust Certificates, Including Interest</b>	
<b>Expense and Fees Payable</b> (3.9)%	(4,687,893)
<b>Preferred Shares, at Redemption Value</b> (53.4)%	(64,478,122)
<b>Net Assets Applicable to Common Shares</b> 100.0%	\$120,796,789

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$191,024,145
Gross unrealized appreciation	\$ 2,938,499
Gross unrealized depreciation	(9,632,975)
Net unrealized depreciation	\$ (6,694,476)

(a) Represents a step-up bond that pays an initial coupon rate for the first period and then a higher coupon rate for the following periods. Rate shown reflects the current yield as of report date.

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

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

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

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

<b>Affiliate</b>	<b>Shares Held at July 31, 2010</b>	<b>Net Activity</b>	<b>Shares Held at January 31, 2011</b>	<b>Income</b>
BIF New Jersey				
Municipal				
Money Fund	4,549,254	(331,993)	4,217,261	\$ 593

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

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

Level 2 other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical

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

Level 3 unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)  
 The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				
Investments <sup>1</sup>		\$ 184,796,777		\$ 184,796,777
Short-Term				
Securities	\$ 4,217,261			4,217,261
<b>Total</b>	<b>\$ 4,217,261</b>	<b>\$ 184,796,777</b>		<b>\$ 189,014,038</b>

<sup>1</sup> See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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**Schedule of Investments** January 31, 2011 (Unaudited) **BlackRock MuniYield Pennsylvania Quality Fund (MPA)**  
 (Percentages shown are based on Net Assets)

	Par (000)	Value
<b>Municipal Bonds</b>		
<b>Pennsylvania 111.9%</b>		
<b>Corporate 6.3%</b>		
Beaver County IDA, Refunding RB, FirstEnergy, Mandatory Put Bonds, 3.38%, 1/01/35 (a)	\$ 1,200	\$ 1,155,276
Delaware County IDA Pennsylvania, Refunding RB, Water Facilities, Aqua Pennsylvania Inc. Project, Series B, AMT (NPFGC), 5.00%, 11/01/36	2,520	2,276,820
Northumberland County IDA, Refunding RB, Aqua Pennsylvania Inc. Project, AMT (NPFGC), 5.05%, 10/01/39	6,000	5,405,160
Pennsylvania Economic Development Financing Authority, RB, Waste Management Inc. Project, Series A, AMT, 5.10%, 10/01/27	1,200	1,116,984
		9,954,240
<b>County/City/Special District/School District 43.3%</b>		
Chambersburg Area School District, GO (NPFGC): 5.25%, 3/01/26	2,115	2,132,872
5.25%, 3/01/27	2,500	2,513,025
City of Philadelphia Pennsylvania, GO, Refunding, Series A (AGM), 5.25%, 12/15/32	7,000	6,684,230
Connellsville Area School District, GO, Series B (AGM), 5.00%, 11/15/37	1,000	940,920
County of York Pennsylvania, GO, 5.00%, 3/01/36	400	393,800
Delaware Valley Regional Financial Authority, RB, Series A (AMBAC), 5.50%, 8/01/28	2,230	2,183,438
East Stroudsburg Area School District, GO, Series A (NPFGC), 7.75%, 9/01/27	2,000	2,327,100
Erie County Conventional Center Authority, RB (NPFGC), 5.00%, 1/15/36	8,850	8,264,307
Marple Newtown School District, GO (AGM), 5.00%, 6/01/31	3,500	3,442,740
North Allegheny School District, GO, Series C (AGM), 5.25%, 5/01/27	2,175	2,202,013
Northeastern School District York County, GO, Series B (NPFGC), 5.00%, 4/01/32	1,585	1,534,613

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Philadelphia Redevelopment Authority, RB (NPFGC):		
Neighborhood Transformation, Series A,		
5.50%, 4/15/22	1,750	1,786,138
Quality Redevelopment Neighborhood, Series B,		
AMT, 5.00%, 4/15/27	4,645	4,176,319
Philadelphia School District, GO, Refunding, Series A		
(BHAC), 5.00%, 6/01/34	1,000	951,540
Philadelphia School District, GO:		
Series B (FGIC), 5.63%, 8/01/12 (b)	7,500	8,064,300
Series E, 6.00%, 9/01/38	4,800	4,923,024
Reading School District, GO (AGM), 5.00%, 1/15/29	6,000	5,999,880
Scranton School District Pennsylvania, GO, Series A		
(AGM), 5.00%, 7/15/38	3,500	3,248,805
Shaler Area School District Pennsylvania, GO, CAB		
(Syncora), 4.81%, 9/01/30 (c)	6,145	1,980,595
Township of North Londonderry Pennsylvania, GO (AGM),		
4.75%, 9/01/40	4,360	4,238,312
York City School District, GO, Series A (Syncora),		
5.25%, 6/01/22	1,040	1,075,537
		69,063,508

### Education 7.5%

Adams County IDA, Refunding RB, Gettysburg College,		
5.00%, 8/15/26	100	97,988
Pennsylvania Higher Educational Facilities Authority,		
RB (NPFGC):		
Drexel University, Series A, 5.00%, 5/01/37	2,250	2,056,658
Series AE, 4.75%, 6/15/32	8,845	8,120,683
Pennsylvania Higher Educational Facilities Authority,		
Refunding RB, State System of Higher Education,		
Series AL, 5.00%, 6/15/35	1,780	1,735,820
		12,011,149

	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	<b></b>

### Pennsylvania (continued)

### Health 13.7%

Allegheny County Hospital Development Authority, RB,		
Health Center, UPMC Health, Series B (NPFGC),		
6.00%, 7/01/26	\$ 2,000	\$ 2,135,220
County of Lehigh Pennsylvania, RB, Lehigh Valley Health		

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Network, Series A (AGM), 5.00%, 7/01/33	7,995	7,376,826
Cumberland County Municipal Authority, RB, Diakon Lutheran, 6.38%, 1/01/39	500	483,845
Lycoming County Authority, Refunding RB, Susquehanna Health System Project, Series A, 5.75%, 7/01/39	1,160	1,040,938
Monroe County Hospital Authority Pennsylvania, Refunding RB, Hospital, Pocono Medical Center, 5.13%, 1/01/37	1,265	1,086,319
Montgomery County Higher Education & Health Authority, Refunding RB, Abington Memorial Hospital, Series A, 5.13%, 6/01/33	1,760	1,608,041
Montgomery County IDA Pennsylvania, RB: Acts Retirement Life Community, Series A, 4.50%, 11/15/36	295	218,117
Acts Retirement Life Community, Series A-1, 6.25%, 11/15/29	235	235,287
New Regional Medical Center Project (FHA), 5.38%, 8/01/38	1,600	1,565,152
Philadelphia Hospitals & Higher Education Facilities Authority, Refunding RB, Presbyterian Medical Center, 6.65%, 12/01/19 (d)	3,000	3,636,600
Sayre Health Care Facilities Authority, Refunding RB, Guthrie Health, Series A, 5.88%, 12/01/31	590	590,602
South Fork Municipal Authority, Refunding RB, Conemaugh Valley Memorial, Series B (AGC), 5.38%, 7/01/35	2,000	1,860,080
		21,837,027
<b>Housing 2.9%</b>		
Pennsylvania HFA, Refunding RB, AMT: S/F Mortgage, Series 92-A, 4.75%, 4/01/31	730	660,431
Series 99A, 5.15%, 4/01/38	800	745,768
Philadelphia New Public Housing Authority, RB, Series A (AGM), 5.50%, 12/01/18	3,000	3,123,780
		4,529,979
<b>State 5.2%</b>		
Pennsylvania Turnpike Commission, RB, Series C of 2003 Pennsylvania Turnpike (NPFGC), 5.00%, 12/01/32	3,600	3,447,540
State Public School Building Authority, RB, CAB, Corry Area School District (AGM) (c): 4.85%, 12/15/22	1,640	923,402
4.87%, 12/15/23	1,980	1,038,450

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4.89%, 12/15/24	1,980	971,507
4.92%, 12/15/25	1,770	813,156
State Public School Building Authority, Refunding RB, Harrisburg School District Project, Series A (AGC),		
5.00%, 11/15/33	1,200	1,148,016
		8,342,071
<b>Transportation 13.9%</b>		
City of Philadelphia Pennsylvania, RB, Series A,		
5.00%, 6/15/40	1,500	1,385,100
Delaware River Port Authority, RB, Series D (AGC),		
5.00%, 1/01/40	1,560	1,491,079
Pennsylvania Turnpike Commission, RB:		
Series A (AMBAC), 5.50%, 12/01/31	7,800	7,834,086
Series A (AMBAC), 5.25%, 12/01/32	350	343,287
Sub-Series B (AGM), 5.25%, 6/01/39	3,500	3,336,270

See Notes to Financial Statements.

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## Schedule of Investments (continued) BlackRock MuniYield Pennsylvania Quality Fund (MPA)

(Percentages shown are based on Net Assets)

Municipal Bonds	Par (000)	Value
<b>Pennsylvania (concluded)</b>		
<b>Transportation (concluded)</b>		
Philadelphia Authority for Industrial Development, Refunding RB, Philadelphia Airport System Project, Series A, AMT (NPFGC):		
5.50%, 7/01/17	\$ 4,000	\$ 4,091,320
5.50%, 7/01/18	3,655	3,741,551
		22,222,693
<b>Utilities 19.1%</b>		
Allegheny County Sanitation Authority, Refunding RB, Series A (NPFGC), 5.00%, 12/01/30		
	5,000	4,705,800
City of Philadelphia Pennsylvania, RB: 1998 General Ordinance, 4th Series (AGM), 5.00%, 8/01/32		
	4,500	4,243,770
Ninth Series, 5.25%, 8/01/40		
	1,430	1,291,605
Series A, 5.25%, 1/01/36		
	700	667,261
Series C (AGM), 5.00%, 8/01/40		
	3,000	2,786,430
Delaware County IDA Pennsylvania, RB, Pennsylvania Suburban Water Co. Project, Series A, AMT (AMBAC), 5.15%, 9/01/32		
	5,500	5,133,260
Northampton Boro Municipal Authority, RB (NPFGC), 5.00%, 5/15/34		
	935	888,063
Pennsylvania Economic Development Financing Authority, RB, Philadelphia Biosolids Facility, 6.25%, 1/01/32		
	900	894,744
Pennsylvania IDA, Refunding RB, Economic Development (AMBAC), 5.50%, 7/01/20		
	7,000	7,217,980
Reading Area Water Authority Pennsylvania, RB (AGM), 5.00%, 12/01/27		
	2,680	2,681,259
		30,510,172
<b>Total Municipal Bonds in Pennsylvania</b>		<b>178,470,839</b>
<b>Guam 2.4%</b>		
<b>County/City/Special District/School District 0.5%</b>		
Territory of Guam, RB, Section 30, Series A, 5.63%, 12/01/29		
	805	774,651
<b>Transportation 1.4%</b>		

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Guam International Airport Authority, Refunding RB, General, Series C, AMT (NPFGC), 5.00%, 10/01/23	2,500	2,294,750
<b>Utilities 0.5%</b>		
Guam Power Authority, Refunding RB, Series A (AGM), 5.00%, 10/01/37	850	763,513
<b>Total Municipal Bonds in Guam</b>		3,832,914
<b>Puerto Rico 0.8%</b>		
<b>State 0.8%</b>		
Commonwealth of Puerto Rico, GO, Refunding, Public Improvement, Series A-4 (AGM), 5.25%, 7/01/30	1,270	1,233,817
<b>Total Municipal Bonds 115.1%</b>		183,537,570
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>		
<b>Pennsylvania 46.3%</b>		
<b>County/City/Special District/School District 4.5%</b>		
East Stroudsburg Area School District, GO, Refunding (AGM), 5.00%, 9/01/25	7,000	7,142,450
<b>Education 1.4%</b>		
University of Pittsburgh Pennsylvania, RB, Capital Project, Series B, 5.00%, 9/15/28	2,202	2,242,834
<b>Municipal Bonds Transferred to Tender Option Bond Trusts (e)</b>	<b>Par</b>	<b>Value</b>
	<b>(000)</b>	
<b>Pennsylvania (concluded)</b>		
<b>Health 3.2%</b>		
Geisinger Authority, RB, Series A: 5.13%, 6/01/34	\$ 2,500	\$ 2,324,700
5.25%, 6/01/39	3,000	2,823,120
		5,147,820
<b>Housing 1.6%</b>		
Pennsylvania HFA, Refunding RB, Series 96-A, AMT, 4.70%, 10/01/37	2,990	2,605,277
<b>State 31.5%</b>		
Commonwealth of Pennsylvania, GO, First Series, 5.00%, 3/15/28	5,203	5,307,570
Pennsylvania Turnpike Commission, RB, Series C of 2003 Pennsylvania Turnpike (NPFGC), 5.00%, 12/01/32	10,000	9,576,500
State Public School Building Authority, LRB, Philadelphia School District Project (AGM), 5.25%, 6/01/13 (b)	15,000	16,489,500
State Public School Building Authority, Refunding RB,		

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School District of Philadelphia Project, Series B (AGM), 5.00%, 6/01/26	19,025	18,842,878 50,216,448
<b>Transportation 4.1%</b>		
City of Philadelphia Pennsylvania, RB, Series A, AMT (AGM), 5.00%, 6/15/37	7,500	6,503,475
<b>Total Municipal Bonds Transferred to Tender Option Bond Trusts 46.3%</b>		
		73,858,304
<b>Total Long-Term Investments (Cost \$266,481,877) 161.4%</b>		
		257,395,874
<b>Short-Term Securities</b>		
<b>Shares</b>		
BIF Pennsylvania Municipal Money Fund, 0.37% (f)(g)	5,007,290	5,007,290
<b>Total Short-Term Securities (Cost \$5,007,290) 3.1%</b>		
		5,007,290
<b>Total Investments (Cost \$271,489,167*) 164.5%</b>		
		262,403,164
<b>Other Assets Less Liabilities 1.2%</b>		
		1,916,714
<b>Liability for Trust Certificates, Including Interest Expense and Fees Payable (24.1)%</b>		
		(38,467,884)
<b>Preferred Shares, at Redemption Value (41.6)%</b>		
		(66,355,818)
<b>Net Assets Applicable to Common Shares 100.0%</b>		
		\$159,496,176

\* The cost and unrealized appreciation (depreciation) of investments as of January 31, 2011, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$233,038,180
Gross unrealized appreciation	\$ 3,305,395
Gross unrealized depreciation	(12,380,547)
Net unrealized depreciation	\$ (9,075,152)

- (a) Variable rate security. Rate shown is as of report date.
- (b) US government securities, held in escrow, are used to pay interest on this security as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Represents a zero-coupon bond. Rate shown reflects the current yield as of report date.
- (d) Security is collateralized by Municipal or US Treasury obligations.
- (e) Securities represent bonds transferred to a TOB in exchange for which the Fund acquired residual interest certificates. These securities serve as collateral in a financing transaction. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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## Schedule of Investments (concluded) BlackRock MuniYield Pennsylvania Quality Fund (MPA)

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

Affiliate	Shares Held at July 31, 2010	Net Activity	Shares Held at January 31, 2011	Income
BIF Pennsylvania Municipal Money Fund	8,508,134	(3,500,844)	5,007,290	

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

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

**Fair Value Measurements** Various inputs are used in determining the fair value of investments, which are as follows:

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

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

**Level 3** unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including the Fund's own assumptions used in determining the fair value of investments)  
The inputs or methodologies used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to Note 1 of the Notes to Financial Statements. The following table summarizes the inputs used as of January 31, 2011 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments in				
Securities:				
Long-Term				

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Investments <sup>1</sup>		\$ 257,395,874	\$ 257,395,874
Short-Term			
Securities	\$ 5,007,290		5,007,290
<b>Total</b>	\$ 5,007,290	\$ 257,395,874	\$ 262,403,164

<sup>1</sup> See above Schedule of Investments for values in each sector.

See Notes to Financial Statements.

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## 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 New Jersey Quality Fund, Inc. (MJI)	BlackRock MuniYield Pennsylvania Quality Fund (MPA)
<b>January 31, 2011 (Unaudited)</b>						
<b>Assets</b>						
Investments at value unaffiliated <sup>1</sup>	\$ 951,242,243	\$ 467,162,931	\$ 174,066,596	\$ 397,133,872	\$ 184,796,777	\$ 257,395,874
Investments at value affiliated <sup>2</sup>	11,973,467	8,561,022	1,555,200	9,306,299	4,217,261	5,007,290
Interest receivable	14,332,960	4,613,301	2,200,443	4,971,419	1,678,284	2,913,319
Investments sold receivable	2,114,064	1,310,000	1,084,066			
Income receivable affiliated	1,246					
Prepaid expenses	37,921	18,005	9,979	20,375	8,100	13,031
Other assets	98,347			6,687		
<b>Total assets</b>	<b>979,800,248</b>	<b>481,665,259</b>	<b>178,916,284</b>	<b>411,438,652</b>	<b>190,700,422</b>	<b>265,329,514</b>
<b>Accrued Liabilities</b>						
Bank overdraft			514		4,789	
Investments purchased payable	7,892,150		1,508,276			
Income dividends payable Common Shares	3,086,022	1,573,077	600,924	1,389,329	636,622	878,702
Investment advisory fees payable	380,125	208,063	74,941	170,865	76,606	111,495
Interest expense and fees payable	166,271	10,040	13,540	9,573	3,524	27,748
Officer's and Directors fees payable	116,173	608	297	700	282	436
Other affiliates payable	8,445	2,493	1,565	2,121	990	2,165
Other accrued expenses payable	72,363	14,308	15,852		18,329	16,838
<b>Total accrued liabilities</b>	<b>11,721,549</b>	<b>1,808,589</b>	<b>2,215,909</b>	<b>1,572,588</b>	<b>741,142</b>	<b>1,037,384</b>
<b>Other Liabilities</b>						
Trust certificates <sup>3</sup>	181,854,633	13,262,930	15,525,099	16,190,000	4,684,369	38,440,136
<b>Total Liabilities</b>	<b>193,576,182</b>	<b>15,071,519</b>	<b>17,741,008</b>	<b>17,762,588</b>	<b>5,425,511</b>	<b>39,477,520</b>
<b>Preferred Shares at Redemption Value</b>						
\$25,000 per share liquidation preference, plus unpaid dividends <sup>4,5</sup>	254,012,979	172,710,100	56,530,652	144,665,491	64,478,122	66,355,818
<b>Net Assets Applicable to Common Shareholders</b>	<b>\$ 532,211,087</b>	<b>\$ 293,883,640</b>	<b>\$ 104,644,624</b>	<b>\$ 249,010,573</b>	<b>\$ 120,796,789</b>	<b>\$ 159,496,176</b>
<b>Net Assets Applicable to Common Shareholders Consist of</b>						
Paid in capital <sup>6,7</sup>	\$ 585,680,722	\$ 298,859,398	\$ 117,993,284	\$ 263,576,016	\$ 124,670,648	\$ 170,094,998
Undistributed net investment income	10,740,984	6,552,943	1,944,592	4,770,243	3,166,913	2,876,228
Accumulated net realized loss	(15,804,068)	(1,423,916)	(10,375,008)	(8,328,282)	(322,538)	(4,389,047)
Net unrealized appreciation/depreciation	(48,406,551)	(10,104,785)	(4,918,244)	(11,007,404)	(6,718,234)	(9,086,003)

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Net Assets Applicable to Common Shareholders	\$ 532,211,087	\$ 293,883,640	\$ 104,644,624	\$ 249,010,573	\$ 120,796,789	\$ 159,496,176
Net asset value per Common Share	\$ 13.02	\$ 13.82	\$ 12.36	\$ 13.68	\$ 13.66	\$ 13.89
<sup>1</sup> Investments at cost unaffiliated	\$ 999,648,794	\$ 477,267,716	\$ 178,984,840	\$ 408,141,276	\$ 191,515,011	\$ 266,481,877
<sup>2</sup> Investments at cost affiliated	\$ 11,973,467	\$ 8,561,022	\$ 1,555,200	\$ 9,306,299	\$ 4,217,261	\$ 5,007,290
<sup>3</sup> Represents short term floating rate certificates issued by TOBs.						
<sup>4</sup> Preferred Shares outstanding:						
Par value \$0.05 per share			2,261	4,909	1,965	2,654
Par value \$0.10 per share	10,160	6,908		877	614	
<sup>5</sup> Preferred Shares authorized	15,600	8,120	1 million	6,600	2,940	1 million
<sup>6</sup> Common Shares outstanding, \$0.10 par value	40,874,458	21,257,794	8,463,721	18,206,301	8,841,971	11,486,303
<sup>7</sup> Common Shares authorized	200 million	200 million	unlimited	200 million	200 million	unlimited

See Notes to Financial Statements.

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## Statements of Operations

	<b>BlackRock MuniHoldings California Quality Fund, Inc.</b>	<b>BlackRock MuniHoldings New Jersey Quality Fund, Inc.</b>	<b>BlackRock MuniYield Investment Quality Fund</b>	<b>BlackRock MuniYield Michigan Quality Fund, Inc.</b>	<b>BlackRock MuniYield New Jersey Quality Fund, Inc.</b>	<b>BlackRock MuniYield Pennsylvania Quality Fund</b>
<b>Six Months Ended January 31, 2011 (Unaudited)</b>	<b>(MUC)</b>	<b>(MUJ)</b>	<b>(MFT)</b>	<b>(MIY)</b>	<b>(MJI)</b>	<b>(MPA)</b>
<b>Investment Income</b>						
Interest	\$ 23,183,198	\$ 11,405,825	\$ 4,559,464	\$ 10,265,866	\$ 4,680,966	\$ 6,466,460
Income affiliated	4,097	1,305	3,056		593	
Total income	23,187,295	11,407,130	4,562,520	10,265,866	4,681,559	6,466,460
<b>Expenses</b>						
Investment advisory	2,815,847	1,384,878	471,262	1,074,029	499,839	696,670
Commissions for Preferred Shares	180,380	119,781	41,104	100,070	47,668	48,342
Professional	91,483	71,623	32,593	55,391	34,509	32,309
Accounting services	52,813	31,522	16,316	27,265	16,463	22,931
Officer and Directors	39,533	16,123	6,678	14,296	7,187	10,198
Transfer agent	31,690	29,519	17,289	27,313	16,740	25,849
Printing	24,105	12,426	5,488	12,591	6,839	9,133
Custodian	20,627	13,228	6,652	12,589	5,994	7,842
Registration	6,816	4,407	4,587	4,594	4,637	4,616
Miscellaneous	53,628	42,744	27,398	40,962	27,472	31,250
Total expenses excluding interest expense and fees	3,316,922	1,726,251	629,367	1,369,100	667,348	889,140
Interest expense and fees <sup>1</sup>	723,079	48,812	69,949	58,837	17,120	160,156
Total expenses	4,040,001	1,775,063	699,316	1,427,937	684,468	1,049,296
Less fees waived by advisor	(357,198)	(53,813)	(915)	(8,209)	(5,658)	(4,215)
Total expenses after fees waived	3,682,803	1,721,250	698,401	1,419,728	678,810	1,045,081
Net investment income	19,504,492	9,685,880	3,864,119	8,846,138	4,002,749	5,421,379
<b>Realized and Unrealized Gain (Loss)</b>						
Net realized gain (loss) from:						
Investments	(1,099,676)	(30,899)	(271,320)	591,266	472,175	90,014
Financial futures contracts	(140,049)					
	(1,239,725)	(30,899)	(271,320)	591,266	472,175	90,014
Net change in unrealized appreciation/depreciation on:						
Investments	(62,291,103)	(28,862,366)	(12,605,431)	(23,284,309)	(12,298,342)	(17,184,151)
Financial futures contracts	107,141					
	(62,183,962)	(28,862,366)	(12,605,431)	(23,284,309)	(12,298,342)	(17,184,151)
Total realized and unrealized loss	(63,423,687)	(28,893,265)	(12,876,751)	(22,693,043)	(11,826,167)	(17,094,137)

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### Dividends to Preferred Shareholders From

Net investment income	(536,824)	(365,104)	(170,011)	(422,572)	(217,863)	(190,402)
<b>Net Decrease in Net Assets Applicable to Common Shareholders Resulting from Operations</b>				\$		
	\$ (44,456,019)	\$ (19,572,489)	\$ (9,182,643)	(14,269,477)	\$ (8,041,281)	\$ (11,863,160)

<sup>1</sup> Related to TOBs.

See Notes to Financial Statements.

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## Statements of Changes in Net Assets

	BlackRock MuniHoldings California		BlackRock MuniHoldings New Jersey Quality Fund, Inc.	
	Quality Fund, Inc. (MUC)		Quality Fund, Inc. (MUJ)	
	Six Months Ended		Six Months Ended	
	January 31, 2011	Year Ended July 31, 2010	January 31, 2011	Year Ended July 31, 2010
Increase (Decrease) in Net Assets Applicable to Common Shareholders:	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Operations</b>				
Net investment income	\$ 19,504,492	\$ 37,720,022	\$ 9,685,880	\$ 21,238,876
Net realized gain (loss)	(1,239,725)	12,432	(30,899)	115,574
Net change in unrealized appreciation/depreciation	(62,183,962)	50,346,834	(28,862,366)	14,444,238
Dividends and distributions to Preferred Shareholders from:				
Net investment income	(536,824)	(1,056,149)	(365,104)	(701,553)
Net realized gain				(30,004)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	(44,456,019)	87,023,139	(19,572,489)	35,067,131
<b>Dividends and Distributions to Common Shareholders From</b>				
Net investment income	(18,066,511)	(32,433,883)	(9,414,470)	(17,941,752)
Net realized gain				(300,750)
Decrease in net assets resulting from dividends and distributions to Common Shareholders	(18,066,511)	(32,433,883)	(9,414,470)	(18,242,502)
<b>Capital Share Transactions</b>				
Reinvestment of common dividends			189,682	
<b>Net Assets Applicable to Common Shareholders</b>				
Total increase (decrease) in net assets applicable to Common Shareholders	(62,522,530)	54,589,256	(28,797,277)	16,824,629
Beginning of period	594,733,617	540,144,361	322,680,917	305,856,288
End of period	\$ 532,211,087	\$ 594,733,617	\$ 293,883,640	\$ 322,680,917
Undistributed net investment income	\$ 10,740,984	9,839,827	\$ 6,552,943	6,646,637

See Notes to Financial Statements.

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## Statements of Changes in Net Assets (continued)

	BlackRock MuniYield Investment Quality Fund, Inc. (MFT) Six Months Ended		BlackRock MuniYield Michigan Quality Fund, Inc. (MIY) Six Months Ended	
	January 31, 2011 (Unaudited)	Year Ended July 31, 2010	January 31, 2011 (Unaudited)	Year Ended July 31, 2010
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>				
<b>Operations</b>				
Net investment income	\$ 3,864,119	\$ 7,787,174	\$ 8,846,138	\$ 17,856,258
Net realized gain (loss)	(271,320)	(253,144)	591,266	1,485,878
Net change in unrealized appreciation/depreciation	(12,605,431)	8,538,990	(23,284,309)	15,566,856
Dividends to Preferred Shareholders from net investment income	(170,011)	(335,411)	(422,572)	(835,377)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	(9,182,643)	15,737,609	(14,269,477)	34,073,615
<b>Dividends to Common Shareholders From</b>				
Net investment income	(3,605,083)	(6,905,867)	(8,329,383)	(16,094,370)
<b>Capital Share Transactions</b>				
Reinvestment of common dividends	91,502	75,047		
<b>Net Assets Applicable to Common Shareholders</b>				
Total increase (decrease) in net assets applicable to Common Shareholders	(12,696,224)	8,906,789	(22,598,860)	17,979,245
Beginning of period	117,340,848	108,434,059	271,609,433	253,630,188
End of period	\$ 104,644,624	117,340,848	\$ 249,010,573	271,609,433
Undistributed net investment income	\$ 1,944,592	\$ 1,855,567	\$ 4,770,243	\$ 4,760,896

See Notes to Financial Statements.

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## Statements of Changes in Net Assets (concluded)

	BlackRock MuniYield New Jersey		BlackRock MuniYield Pennsylvania	
	Quality Fund, Inc. (MJJ)		Quality Fund, Inc. (MPA)	
	Six Months Ended		Six Months Ended	
	January 31, 2011 (Unaudited)	Year Ended July 31, 2010	January 31, 2011 (Unaudited)	Year Ended July 31, 2010
<b>Increase (Decrease) in Net Assets Applicable to Common Shareholders:</b>				
<b>Operations</b>				
Net investment income	\$ 4,002,749	\$ 8,588,358	\$ 5,421,379	\$ 10,608,015
Net realized gain	472,175	421,725	90,014	930,379
Net change in unrealized appreciation/depreciation	(12,298,342)	8,014,923	(17,184,151)	10,792,131
Dividends and distributions to Preferred Shareholders from:				
Net investment income	(217,863)	(375,004)	(190,402)	(373,148)
Net realized gain		(93,892)		
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	(8,041,281)	16,556,110	(11,863,160)	21,957,377
<b>Dividends and Distributions to Common Shareholders From</b>				
Net investment income	(3,816,948)	(7,425,642)	(5,259,314)	(9,345,182)
Net realized gain		(883,128)		
Decrease in net assets resulting from dividends and distributions to Common Shareholders	(3,816,948)	(8,308,770)	(5,259,314)	(9,345,182)
<b>Capital Share Transactions</b>				
Reinvestment of common dividends and distributions	373,793	227,441	88,230	
<b>Net Assets Applicable to Common Shareholders</b>				
Total increase (decrease) in net assets applicable to Common Shareholders	(11,484,436)	8,474,781	(17,034,244)	12,612,195
Beginning of period	132,281,225	123,806,444	176,530,420	163,918,225
End of period	\$ 120,796,789	132,281,225	\$ 159,496,176	176,530,420
Undistributed net investment income	\$ 3,166,913	\$ 3,198,975	\$ 2,876,228	\$ 2,904,565

See Notes to Financial Statements.

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## Statements of Cash Flows

	Muniholdings California Quality Fund, Inc. (MUC)	MuniYield Pennsylvania Quality Fund (MPA)
<b>Six Months Ended January 31, 2011 (Unaudited)</b>		
<b>Cash Used for Operating Activities</b>		
Net decrease in net assets resulting from operations, excluding dividends to Preferred Shareholders	\$ (43,919,195)	\$ (11,676,901)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:		
Increase in interest receivable	(2,478,241)	(256,153)
Increase in other assets	(3,110)	
Increase in income receivable affiliated	(898)	
Decrease in cash pledged as collateral for financial futures contracts	84,400	
Decrease in investment advisory fees payable	(7,963)	(8,141)
Increase in interest expense and fees payable	53,624	2,495
Increase in other affiliates payable	2,462	433
Decrease in other accrued expenses payable	(75,276)	(41,027)
Decrease in margin variation payable	(35,938)	
Increase in Officer's and Directors' fees payable	18,590	50
Net realized and unrealized gain	63,393,889	17,097,879
Amortization of premium and discount on investments	1,474,475	178,906
Proceeds from sales of long-term investments	108,458,205	10,851,928
Purchases of long-term investments	(167,861,446)	(14,341,073)
Net proceeds from sales of short-term securities	59,297,499	3,500,844
Cash provided by operating activities	18,401,077	5,309,240
<b>Cash Provided by Financing Activities</b>		
Cash payments on trust certificates		(5,000)
Cash dividends paid to Common Shareholders	(17,862,138)	(5,118,983)
Cash dividends paid to Preferred Shareholders	(538,939)	(185,257)
Cash used for financing activities	(18,401,777)	(5,309,240)
<b>Cash</b>		
Net change in cash		
Cash at beginning of period		
Cash at end of period		
<b>Cash Flow Information</b>		
Cash paid during the period for interest and fees	\$ 669,455	\$ 157,661
<b>Noncash Activities</b>		
Capital shares issued in reinvestment of dividends paid to Common Shareholders		\$ 88,230
A Statement of Cash Flows is presented when a Fund had a significant amount of borrowing during the period, based on the average borrowing outstanding in relation to average total assets.		

See Notes to Financial Statements.

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**BlackRock MuniHoldings California Quality Fund,  
Inc. (MUC)**
**Financial Highlights**

	Six Months		Year		Year Ended June		
	Ended	Year	Period	30,			
	January 31,	Ended	July 1,	2007			
	2011	July 31,	to July 31,	2009	2008	2007	2006
	(Unaudited)	2010	2009	2009	2008	2007	2006
<b>Per Share Operating Performance</b>							
Net asset value, beginning of period	\$ 14.55	\$ 13.21	\$ 13.05	\$ 13.84	\$ 14.48	\$ 14.44	\$ 15.40
Net investment income <sup>1</sup>	0.48	0.92	0.08	0.90	0.96	1.01	1.05
Net realized and unrealized gain (loss)	(1.56)	1.24	0.14	(0.89)	(0.60)	0.07	(0.85)
Dividends to Preferred Shareholders from net investment income	(0.01)	(0.03)	(0.00) <sup>2</sup>	(0.15)	(0.32)	(0.31)	(0.25)
Net increase (decrease) from investment operations	(1.09)	2.13	0.22	(0.14)	0.04	0.77	(0.05)
Dividends to Common Shareholders from net investment income	(0.44)	(0.79)	(0.06)	(0.65)	(0.68)	(0.73)	(0.91)
Net asset value, end of period	\$ 13.02	\$ 14.55	\$ 13.21	\$ 13.05	\$ 13.84	\$ 14.48	\$ 14.44
Market price, end of period	\$ 12.71	\$ 14.04	\$ 12.18	\$ 11.07	\$ 12.24	\$ 13.92	\$ 13.94
<b>Total Investment Return<sup>3</sup></b>							
Based on net asset value	(7.59)% <sup>4</sup>	16.96%	1.75% <sup>4</sup>	0.21%	0.64%	5.46%	(0.29)%
Based on market price	(6.51)% <sup>4</sup>	22.40%	10.59% <sup>4</sup>	(3.88)%	(7.41)%	5.02%	(0.98)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>							
Total expenses <sup>5</sup>	1.38% <sup>6</sup>	1.23%	1.34% <sup>6,7</sup>	1.59%	1.58%	1.66%	1.41%
Total expenses after fees waived <sup>5</sup>	1.26% <sup>6</sup>	1.12%	1.19% <sup>6,7</sup>	1.40%	1.50%	1.60%	1.35%
Total expenses after fees waived and excluding interest expense and fees <sup>5,8</sup>	1.01% <sup>6</sup>	0.98%	1.06% <sup>6,7</sup>	1.02%	1.14%	1.12%	1.10%
Net investment income <sup>5</sup>	6.64% <sup>6</sup>	6.52%	6.59% <sup>6,7</sup>	7.08%	6.72%	6.81%	7.01%
Dividends to Preferred Shareholders	0.18% <sup>6</sup>	0.18%	0.23% <sup>6</sup>	1.15%	2.22%	2.11%	1.68%
Net investment income to Common Shareholders	6.46% <sup>6</sup>	6.34%	6.36% <sup>6,7</sup>	5.93%	4.50%	4.70%	5.33%
<b>Supplemental Data</b>							
Net assets applicable to Common Shareholders, end of period (000)	\$ 532,211	\$ 594,734	\$ 540,144	\$ 533,256	\$ 565,757	\$ 592,053	\$ 589,404
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 254,000	\$ 254,000	\$ 254,000	\$ 287,375	\$ 287,375	\$ 390,000	\$ 390,000
Portfolio turnover	11%	25%	1%	19%	43%	35%	34%

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Asset coverage per Preferred Share at  
\$25,000

liquidation preference, end of period	\$ 77,384	\$ 83,538	\$ 78,166	\$ 71,392	\$ 74,225	\$ 62,965	\$ 62,795
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<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Certain non-recurring expenses have been included in the ratio but not annualized. If these expenses were annualized, the ratios of total expenses, total expenses after fees waived

and before fees paid indirectly, total expenses after fees waived and paid indirectly, net investment income and net investment income to Common Shareholders would have been

1.43%, 1.28%, 1.15%, 6.50% and 6.27%, respectively.

<sup>8</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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

	Six Months Ended January 31,		Year Ended July 31,			
	2011 (Unaudited)	2010	2009	2008	2007	2006
<b>Per Share Operating Performance</b>						
Net asset value, beginning of period	\$ 15.19	\$ 14.40	\$ 14.35	\$ 14.86	\$ 14.91	\$ 15.62
Net investment income <sup>1</sup>	0.46	1.00	0.98	0.93	1.03	1.03
Net realized and unrealized gain (loss)	(1.37)	0.67	(0.11)	(0.47)	(0.03)	(0.61)
Dividends and distributions to Preferred Shareholders from:						
Net investment income	(0.02)	(0.03)	(0.16)	(0.31)	(0.31)	(0.26)
Net realized gain		(0.00) <sup>2</sup>				
Net increase (decrease) from investment operations.	(0.93)	1.64	0.71	0.15	0.69	0.16
Dividends and distributions to Common Shareholders from:						
Net investment income	(0.44)	(0.84)	(0.66)	(0.66)	(0.74)	(0.87)
Net realized gain		(0.01)				
Total dividends and distributions to Common Shareholders	(0.44)	(0.85)	(0.66)	(0.66)	(0.74)	(0.87)
Net asset value, end of period	\$ 13.82	\$ 15.19	\$ 14.40	\$ 14.35	\$ 14.86	\$ 14.91
Market price, end of period	\$ 13.15	\$ 15.05	\$ 13.38	\$ 12.93	\$ 14.40	\$ 14.98
<b>Total Investment Return<sup>3</sup></b>						
Based on net asset value	(6.19)% <sup>4</sup>	11.95%	6.13%	1.35%	4.71%	1.09%
Based on market price	(9.91)% <sup>4</sup>	19.37%	9.45%	(5.76)%	0.99%	(0.16)%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>						
Total expenses <sup>5</sup>	1.12% <sup>6</sup>	1.13%	1.30%	1.30%	1.45%	1.45%
Total expenses after fees waived <sup>5</sup>	1.09% <sup>6</sup>	1.08%	1.21%	1.23%	1.40%	1.39%
Total expenses after fees waived and excluding interest expense and fees <sup>5,7</sup>	1.05% <sup>6</sup>	1.05%	1.10%	1.15%	1.17%	1.15%
Net investment income <sup>5</sup>	6.11% <sup>6</sup>	6.71%	7.04%	6.22%	6.77%	6.80%
Dividends to Preferred Shareholders	0.23% <sup>6</sup>	0.22%	1.13%	2.11%	2.03%	1.72%
Net investment income to Common Shareholders	5.88% <sup>6</sup>	6.49%	5.91%	4.11%	4.74%	5.08%
<b>Supplemental Data</b>						
Net assets applicable to Common Shareholders, end of period (000)	\$ 293,884	\$ 322,681	\$ 305,856	\$ 304,947	\$ 315,769	\$ 315,649
Preferred Shares outstanding at \$25,000 liquidation preference, end of year (000)	\$ 172,700	\$ 172,700	\$ 172,700	\$ 176,700	\$ 203,000	\$ 203,000
Portfolio turnover	7%	13%	9%	12%	17%	16%
Asset coverage per Preferred Share at \$25,000 liquidation preference,						

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end of period \$ 67,544 \$ 71,713 \$ 69,278<sup>8</sup> \$ 68,152<sup>8</sup> \$ 63,898<sup>8</sup> \$ 63,884<sup>8</sup>

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

<sup>8</sup> Amounts have been recalculated to conform with current period presentation.

See Notes to Financial Statements.

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**BlackRock MuniYield Investment Quality  
Fund (MFT)**
**Financial Highlights**

	Six Months						
	Ended	Period					
	January	Year Ended July 31,		November	Year Ended October		
	31,	2010	2009	1, 2007	2007	2006	2005
	2011			to July 31,			
	(Unaudited)						
<b>Per Share Operating Performance</b>							
Net asset value, beginning of period	\$ 13.87	\$ 12.83	\$ 13.42	\$ 14.38	\$ 14.91	\$ 14.72	\$ 15.22
Net investment income <sup>1</sup>	0.46	0.92	0.94	0.71	0.95	0.97	0.98
Net realized and unrealized gain (loss)	(1.52)	0.98	(0.70)	(0.97)	(0.49)	0.24	(0.38)
Dividends to Preferred Shareholders from net investment income	(0.02)	(0.04)	(0.15)	(0.22)	(0.31)	(0.27)	(0.17)
Net increase (decrease) from investment operations	(1.08)	1.86	0.09	(0.48)	0.15	0.94	0.43
Dividends to Common Shareholders from net investment income	(0.43)	(0.82)	(0.68)	(0.48)	(0.68)	(0.75)	(0.90)
Capital charges resulting from issuance of Preferred Shares							(0.03)
Net asset value, end of period	\$ 12.36	\$ 13.87	\$ 12.83	\$ 13.42	\$ 14.38	\$ 14.91	\$ 14.72
Market price, end of period	\$ 12.05	\$ 14.28	\$ 11.80	\$ 11.75	\$ 12.74	\$ 14.21	\$ 14.18
<b>Total Investment Return<sup>2</sup></b>							
Based on net asset value	(7.97)% <sup>3</sup>	14.99%	1.94%	(2.97)% <sup>3</sup>	1.39%	6.87%	2.72%
Based on market price	(12.86)% <sup>3</sup>	28.72%	7.08%	(4.11)% <sup>3</sup>	(5.75)%	5.73%	0.54%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>							
Total expenses <sup>4</sup>	1.21% <sup>5</sup>	1.19%	1.40%	1.51% <sup>5</sup>	1.54%	1.46%	1.38%
Total expenses after fees waived <sup>4</sup>	1.21% <sup>5</sup>	1.19%	1.37%	1.49% <sup>5</sup>	1.52%	1.45%	1.38%
Total expenses after fees waived and excluding interest expense and fees <sup>4,6</sup>	1.09% <sup>5</sup>	1.09%	1.19%	1.18% <sup>5</sup>	1.20%	1.17%	1.20%
Net investment income <sup>4</sup>	6.71% <sup>5</sup>	6.80%	7.54%	6.60% <sup>5</sup>	6.53%	6.58%	6.50%
Dividends to Preferred Shareholders	0.30% <sup>5</sup>	0.29%	1.23%	2.07% <sup>5</sup>	2.13%	1.87%	1.13%
Net investment income to Common Shareholders	6.41% <sup>5</sup>	6.51%	6.31%	4.53% <sup>5</sup>	4.40%	4.71%	5.37%
<b>Supplemental Data</b>							
Net assets applicable to Common Shareholders, end of period (000)	\$ 104,645	\$ 117,341	\$ 108,434	\$ 113,449	\$ 121,574	\$ 126,042	\$ 124,422
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 56,525	\$ 56,525	\$ 56,525	\$ 62,250	\$ 72,000	\$ 72,000	\$ 72,000

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Portfolio turnover.	10%	38%	43%	21%	26%	34%	52%
Asset coverage per Preferred Share at \$25,000							
liquidation preference, end of period	\$ 71,285	\$ 76,900	\$ 72,961	\$ 70,569	\$ 67,220	\$ 68,769	\$ 68,212

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock MuniYield Michigan Quality  
Fund, Inc. (MIY)

	Six Months		Period				
	Ended		November	Year Ended October			
	January 31,	Year Ended July 31,	1, 2007	Year Ended October			
	2011	2010	to July 31,	2007	2006	2005	
	(Unaudited)		2008				
<b>Per Share Operating Performance</b>							
Net asset value, beginning of period	\$ 14.92	\$ 13.93	\$ 14.16	\$ 15.03	\$ 15.45	\$ 15.32	\$ 15.96
Net investment income <sup>1</sup>	0.49	0.98	1.00	0.70	1.06	1.04	1.08
Net realized and unrealized gain (loss)	(1.25)	0.94	(0.40)	(0.82)	(0.45)	0.22	(0.54)
Dividends to Preferred Shareholders from net investment income	(0.02)	(0.05)	(0.16)	(0.23)	(0.32)	(0.29)	(0.18)
Net increase (decrease) from investment operations	(0.78)	1.87	0.44	(0.35)	(0.29)	0.97	0.36
Dividends to Common Shareholders from net investment income	(0.46)	(0.88)	(0.67)	(0.52)	(0.71)	(0.84)	(0.98)
Capital charges with respect to the issuance of Preferred Shares							(0.02)
Net asset value, end of period	\$ 13.68	\$ 14.92	\$ 13.93	\$ 14.16	\$ 15.03	\$ 15.45	\$ 15.32
Market price, end of period	\$ 12.91	\$ 14.55	\$ 12.25	\$ 12.30	\$ 13.40	\$ 14.67	\$ 15.31
<b>Total Investment Return<sup>2</sup></b>							
Based on net asset value	(5.31)% <sup>3</sup>	14.31%	4.66%	(2.02)% <sup>3</sup>	2.30%	6.64%	2.24%
Based on market price	(8.36)% <sup>3</sup>	26.76%	5.95%	(4.54)% <sup>3</sup>	(3.95)%	1.32%	6.10%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>							
Total expenses <sup>4</sup>	1.06% <sup>5</sup>	1.07%	1.27%	1.42% <sup>5</sup>	1.55%	1.62%	1.42%
Total expenses after fees waived <sup>4</sup>	1.06% <sup>5</sup>	1.07%	1.25%	1.40% <sup>5</sup>	1.55%	1.61%	1.42%
Total expenses after fees waived and excluding interest expense and fees <sup>4,6</sup>	1.01% <sup>5</sup>	1.03%	1.09%	1.13% <sup>5</sup>	1.12%	1.11%	1.10%
Net investment income <sup>4</sup>	6.59% <sup>5</sup>	6.72%	7.37%	6.19% <sup>5</sup>	6.95%	6.84%	6.84%
Dividends to Preferred Shareholders	0.31% <sup>5</sup>	0.31%	1.19%	2.05% <sup>5</sup>	2.12%	1.87%	1.13%
Net investment income to Common Shareholders	6.28% <sup>5</sup>	6.41%	6.18%	4.14% <sup>5</sup>	4.83%	4.97%	5.71%
<b>Supplemental Data</b>							
Net assets applicable to Common Shareholders, end of period (000)	\$ 249,011	\$ 271,609	\$ 253,630	\$ 257,806	\$ 273,593	\$ 281,350	\$ 278,250
Preferred Shares outstanding at \$25,000 liquidation							

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preference, end of period (000)	\$ 144,650	\$ 144,650	\$ 144,650	\$ 144,650	\$ 165,000	\$ 165,000	\$ 165,000
Portfolio turnover	7%	15%	9%	21%	10%	15%	25%
Asset coverage end of period per \$1,000	\$ 2,721 <sup>7</sup>	\$ 2,878 <sup>7</sup>	\$ 2,753 <sup>7</sup>	\$ 2,782 <sup>7</sup>	\$ 2,658 <sup>7</sup>	\$ 2,705 <sup>7</sup>	\$ 2,686

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>3</sup> Aggregate total investment return.

<sup>4</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>5</sup> Annualized.

<sup>6</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

<sup>7</sup> Asset coverage per Preferred Share at \$25,000 liquidation preference for the periods ended 2011, 2010, 2009, 2008, 2007 and 2006 were \$68,039, \$71,945, \$68,838, \$69,563, \$66,461 and \$67,638, respectively.

See Notes to Financial Statements.

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**BlackRock MuniYield New Jersey Quality  
Fund, Inc. (MJ)**
**Financial Highlights**

	Six Months						
	Ended	Period					
	January	Year Ended July 31,		November	Year Ended October		
	31,	2010	2009	1,	2007	2006	2005
	2011			to July			
	(Unaudited)			31,			
				2008			
<b>Per Share Operating Performance</b>							
Net asset value, beginning of period	\$ 15.00	\$ 14.07	\$ 14.23	\$ 15.02	\$ 15.42	\$ 15.07	\$ 15.46
Net investment income <sup>1</sup>	0.45	0.98	0.96	0.69	0.96	0.97	0.96
Net realized and unrealized gain (loss)	(1.34)	0.94	(0.27)	(0.76)	(0.42)	0.36	(0.27)
Dividends and distributions to Preferred Shareholders from:							
Net investment income	(0.02)	(0.04)	(0.15)	(0.21)	(0.28)	(0.25)	(0.16)
Net realized gain		(0.01)	(0.01)	(0.01)	(0.00) <sup>2</sup>		
Net increase (decrease) from investment operations	(0.91)	1.87	0.53	(0.29)	0.26	1.08	0.53
Dividends and distributions to Common Shareholders from:							
Net investment income	(0.43)	(0.84)	(0.67)	(0.49)	(0.65)	(0.73)	(0.92)
Net realized gain		(0.10)	(0.02)	(0.01)	(0.01)		
Total dividends and distributions to Common Shareholders	(0.43)	(0.94)	(0.69)	(0.50)	(0.66)	(0.73)	(0.92)
Capital charges with respect to the issuance of Preferred Shares							0.00 <sup>3</sup>
Net asset value, end of period	\$ 13.66	\$ 15.00	\$ 14.07	\$ 14.23	\$ 15.02	\$ 15.42	\$ 15.07
Market price, end of period	\$ 12.92	\$ 14.92	\$ 12.82	\$ 12.81	\$ 13.70	\$ 14.96	\$ 14.65
<b>Total Investment Return<sup>4</sup></b>							
Based on net asset value	(6.15)% <sup>5</sup>	13.90%	4.94%	(1.67)% <sup>5</sup>	2.00%	7.50%	3.49%
Based on market price	(10.76)% <sup>5</sup>	24.34%	6.22%	(2.95)% <sup>5</sup>	(4.10)%	7.28%	2.60%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>							
Total expenses <sup>6</sup>	1.05% <sup>7</sup>	1.06%	1.22%	1.24% <sup>7</sup>	1.37%	1.59%	1.52%
Total expenses after fees waived <sup>6</sup>	1.04% <sup>7</sup>	1.05%	1.21%	1.24% <sup>7</sup>	1.37%	1.59%	1.52%
Total expenses after fees waived and excluding interest expense and fees <sup>6,8</sup>	1.01% <sup>7</sup>	1.02%	1.11%	1.18% <sup>7</sup>	1.17%	1.15%	1.16%
Net investment income <sup>6</sup>	6.13% <sup>7</sup>	6.64%	7.10%	6.18% <sup>7</sup>	6.30%	6.46%	6.21%
Dividends to Preferred Shareholders	0.33% <sup>7</sup>	0.29%	1.12%	1.87% <sup>7</sup>	1.81%	1.63%	1.03%

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Net investment income to Common Shareholders	5.80% <sup>7</sup>	6.35%	5.98%	4.31% <sup>7</sup>	4.49%	4.83%	5.18%
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### Supplemental Data

Net assets applicable to Common Shareholders,

end of period (000)	\$ 120,797	\$ 132,281	\$ 123,806	\$ 125,233	\$ 132,174	\$ 135,767	\$ 132,622
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Preferred Shares outstanding at \$25,000

liquidation

preference, end of period (000)	\$ 64,475	\$ 64,475	\$ 64,475	\$ 65,700	\$ 73,500	\$ 73,500	\$ 73,500
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Portfolio turnover

7%	12%	8%	13%	23%	11%	29%
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Asset coverage per Preferred Share at \$25,000

liquidation

preference, end of period	\$ 71,840	\$ 76,294	\$ 73,008	\$ 72,666	\$ 69,965	\$ 71,185	\$ 70,110
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<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Amount is less than \$0.01 per share.

<sup>4</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude the effects of any sales charges and include the reinvestment of dividends and distributions.

<sup>5</sup> Aggregate total investment return.

<sup>6</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>7</sup> Annualized.

<sup>8</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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## Financial Highlights

BlackRock MuniYield Pennsylvania Quality  
Fund (MPA)

	Six Months			Period			
	Ended January 31, 2011 (Unaudited)	Year Ended July 31, 2010 2009		November 1, 2007 to July 31, 2008	Year Ended October 31, 2007 2006 2005		
<b>Per Share Operating Performance</b>							
Net asset value, beginning of period	\$ 15.38	\$ 14.28	\$ 14.30	\$ 15.49	\$ 15.89	\$ 15.57	\$ 16.04
Net investment income <sup>1</sup>	0.47	0.92	0.93	0.71	1.01	1.01	1.05
Net realized and unrealized gain (loss)	(1.48)	1.02	(0.15)	(1.18)	(0.40)	0.36	(0.35)
Dividends to Preferred Shareholders from net investment income	(0.02)	(0.03)	(0.14)	(0.22)	(0.32)	(0.27)	(0.19)
Net increase (decrease) from investment operations	(1.03)	1.91	0.64	(0.69)	0.29	1.10	0.51
Dividends to Common Shareholders from net investment income	(0.46)	(0.81)	(0.66)	(0.50)	(0.69)	(0.78)	(0.96)
Capital charges with respect to the issuance of Preferred Shares						(0.00) <sup>2</sup>	(0.02)
Net asset value, end of period	\$ 13.89	\$ 15.38	\$ 14.28	\$ 14.30	\$ 15.49	\$ 15.89	\$ 15.57
Market price, end of period	\$ 13.24	\$ 15.26	\$ 12.87	\$ 12.43	\$ 13.67	\$ 14.60	\$ 14.91
<b>Total Investment Return<sup>3</sup></b>							
Based on net asset value	(6.76)% <sup>4</sup>	14.18%	5.88%	(4.18)% <sup>4</sup>	2.19%	7.52%	3.16%
Based on market price	(10.43)% <sup>4</sup>	25.70%	9.78%	(5.62)% <sup>4</sup>	(1.85)%	3.16%	1.51%
<b>Ratios to Average Net Assets Applicable to Common Shareholders</b>							
Total expenses <sup>5</sup>	1.21 <sup>6</sup>	1.15%	1.27%	1.50% <sup>6</sup>	1.72%	1.70%	1.70%
Total expenses after fees waived <sup>5</sup>	1.20 <sup>6</sup>	1.15%	1.25%	1.48% <sup>6</sup>	1.72%	1.69%	1.69%
Total expenses after fees waived and excluding interest expense and fees <sup>5,7</sup>	1.02 <sup>6</sup>	1.00%	1.06%	1.13% <sup>6</sup>	1.13%	1.13%	1.13%
Net investment income <sup>5</sup>	6.24 <sup>6</sup>	6.17%	6.82%	6.18% <sup>6</sup>	6.44%	6.49%	6.56%
Dividends to Preferred Shareholders	0.21 <sup>6</sup>	0.22%	1.00%	1.93% <sup>6</sup>	2.02%	1.76%	1.17%
Net investment income to Common Shareholders	6.03 <sup>6</sup>	5.95%	5.82%	4.25% <sup>6</sup>	4.42%	4.73%	5.39%
<b>Supplemental Data</b>							
Net assets applicable to Common Shareholders, end of period (000)	\$ 159,496	\$ 176,530	\$ 163,918	\$ 164,119	\$ 177,807	\$ 182,402	\$ 178,771
Preferred Shares outstanding at \$25,000 liquidation preference, end of period (000)	\$ 66,350	\$ 66,350	\$ 66,350	\$ 77,400	\$ 102,000	\$ 102,000	\$ 102,000

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Portfolio turnover	4%	6%	18%	24%	35%	25%	42%
Asset coverage per Preferred Share at \$25,000 liquidation preference, end of period	\$ 85,099	\$ 91,517	\$ 86,765	\$ 78,018	\$ 68,585	\$ 69,717	\$ 68,827

<sup>1</sup> Based on average Common Shares outstanding.

<sup>2</sup> Amount is less than \$(0.01) per share.

<sup>3</sup> Total investment returns based on market value, which can be significantly greater or lesser than the net asset value, may result in substantially different returns. Where applicable,

total investment returns exclude effects of sales charges and include the reinvestment of dividends and distributions.

<sup>4</sup> Aggregate total investment return.

<sup>5</sup> Do not reflect the effect of dividends to Preferred Shareholders.

<sup>6</sup> Annualized.

<sup>7</sup> Interest expense and fees relate to TOBs. See Note 1 of the Notes to Financial Statements for details of municipal bonds transferred to TOBs.

See Notes to Financial Statements.

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## Notes to Financial Statements (Unaudited)

### 1. Organization and Significant Accounting Policies:

BlackRock MuniHoldings California Quality Fund, Inc. ( MUC ), formerly MuniHoldings California Insured Fund, Inc., BlackRock MuniHoldings New Jersey Quality Fund, Inc. ( MUJ ), formerly BlackRock MuniHoldings New Jersey Fund, Inc., BlackRock MuniYield Investment Quality Fund, Inc. ( MFT ), formerly BlackRock MuniYield Insured Investment Fund, BlackRock MuniYield Michigan Quality Fund, Inc. ( MIY ), formerly BlackRock MuniYield Michigan Insured Fund, Inc., BlackRock MuniYield New Jersey Quality Fund, Inc. ( MJJ ), formerly MuniYield New Jersey Insured Fund, Inc. and BlackRock MuniYield Pennsylvania Quality Fund, Inc. ( MPA ), formerly MuniYield Pennsylvania Insured Fund (collectively, the Funds or individually, as a Fund ), are registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as non-diversified, closed-end management investment companies. MUC, MUJ, MIY and MJJ are organized as Maryland corporations. MFT and MPA are organized as Massachusetts business trusts. The Funds' financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), which may require management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The Funds determine, and make available for publication the net asset value of their Common Shares on a daily basis.

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

Valuation: The Funds fair value their financial instruments at market value using independent dealers or pricing services under policies approved by each Fund's Board of Directors/Trustees (the Board ). Municipal investments (including commitments to purchase such investments on a when-issued basis) are valued on the basis of prices provided by dealers or pricing services. In determining the value of a particular investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments and information with respect to various relationships between investments. Financial futures contracts traded on exchanges are valued at their last sale price. Short-term securities with remaining maturities of 60 days or less may be valued at amortized cost, which approximates fair value. Investments in open-end investment companies are valued at net asset value each business day.

In the event that application of these methods of valuation results in a price for an investment which is deemed not to be representative of the market value of such investment or is not available, the investment will be valued in accordance with a policy approved by the Board as reflecting fair

value ("Fair Value Assets"). When determining the price for Fair Value Assets, the investment advisor and/or the sub-advisor seeks to determine the price that each Fund might reasonably expect to receive from the current sale of that asset in an arm's-length transaction. Fair value determinations shall be based upon all available factors that the investment advisor and/or sub-advisor deems relevant. The pricing of all Fair Value Assets is subsequently reported to the Board or a committee thereof.

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

**Forward Commitments and When-Issued Delayed Delivery Securities:**

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

**Municipal Bonds Transferred to Tender Option Bond Trusts:** The Funds leverage their assets through the use of TOBs. A TOB is established by a third party sponsor forming a special purpose entity, into which one or more funds, or an agent on behalf of the funds, transfers municipal bonds. Other funds managed by the investment advisor may also contribute municipal bonds to a TOB into which a Fund has contributed bonds. A TOB typically issues two classes of beneficial interests: short-term floating rate certificates, which are sold to third party investors, and residual certificates ( TOB Residuals ), which are generally issued to the participating funds that made the transfer. The TOB Residuals held by a Fund include the right of a Fund (1) to cause the holders of a proportional share of the short-term floating rate certificates to tender their certificates at par, including during instances of a rise in short-term interest rates, and (2) to transfer, within seven days, a corresponding share of the municipal bonds from the TOB to a Fund. The TOB may also be terminated without the consent of a Fund upon the occurrence of certain events as defined in the TOB agreements. Such termination events may include the bankruptcy or default of the municipal bond, a substantial downgrade in credit quality of the municipal bond, the inability of the TOB to obtain quarterly or annual renewal of the liquidity support agreement, a substantial decline in market value of

the municipal bond or the inability to remarket the short-term floating rate certificates to third party investors. During the six months ended January 31, 2011, no TOBs that the Funds participated in were terminated without the consent of the Funds.

The cash received by the TOB from the sale of the short-term floating rate certificates, less transaction expenses, is paid to a Fund, which typically invests the cash in additional municipal bonds. Each Fund's transfer of the municipal bonds to a TOB is accounted for as a secured borrowing, therefore the municipal bonds deposited into a TOB are presented in the Funds' Schedules of Investments and the proceeds from the issuance of

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## Notes to Financial Statements (continued)

the short-term floating rate certificates are shown as trust certificates in the Statements of Assets and Liabilities.

Interest income, including amortization and accretion of premiums and discounts, from the underlying municipal bonds is recorded by the Funds on an accrual basis. Interest expense incurred on the secured borrowing and other expenses related to remarketing, administration and trustee services to a TOB are shown as interest expense and fees in the Statements of Operations. The short-term floating rate certificates have interest rates that generally reset weekly and their holders have the option to tender certificates to the TOB for redemption at par at each reset date. At January 31, 2011, the aggregate value of the underlying municipal bonds transferred to TOBs, the related liability for trust certificates and the range of interest rates on the liability for trust certificates were as follows:

	<b>Underlying Municipal Bonds Transferred to TOBs</b>	<b>Liability for Trust Certificates</b>	<b>Range of Interest Rates</b>
MUC	\$326,430,224	\$181,854,633	0.29% 0.46%
MUJ	\$ 20,679,832	\$ 13,262,930	0.29% 0.39%
MFT	\$ 28,316,826	\$ 15,525,099	0.29% 0.44%
MIY	\$ 29,733,430	\$ 16,190,000	0.27% 0.46%
MJI	\$ 7,394,789	\$ 4,684,369	0.29% 0.39%
MPA	\$ 73,858,304	\$ 38,440,136	0.29% 0.49%

For the six months ended January 31, 2011, the Funds' average trust certificates outstanding and the daily weighted average interest rates, including fees, were as follows:

	<b>Average Trust Certificates Outstanding</b>	<b>Daily Weighted Average Interest Rate</b>
MUC	\$181,854,633	0.79%
MUJ	\$ 13,262,930	0.73%
MFT	\$ 16,529,486	0.84%
MIY	\$ 16,190,000	0.72%
MJI	\$ 4,684,369	0.73%
MPA	\$ 38,444,753	0.83%

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

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

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

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

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

The Funds file US federal and various state and local tax returns. No income tax returns are currently under examination. The statute of limitations on the Funds' US federal tax returns remains open for the year ended July 31, 2010, the period ended July 31, 2009 and for each of the two years ended June 30, 2009 for MUC, for each of the four years ended July 31, 2010 for MUJ and for each of the two years ended July 31, 2010 and period ended July 31, 2008 and for the year ended October 31, 2007 for MFT, MIY, MJJ and MPA. The statutes of limitations on the Funds' state and local tax returns may remain open for an additional year depending upon the jurisdiction. Management does not believe there are any uncertain tax positions that require recognition of a tax liability.

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

The deferred compensation plan is not funded and obligations there-under represent general unsecured claims against the general assets of each Fund. Each Fund may, however, elect to invest in common shares of certain other BlackRock Closed-End Funds selected by the Independent Directors in order to match its deferred compensation obligations. Investments to cover each Fund's deferred compensation liability, if any, are included in other assets in the Statements of Assets and Liabilities. Dividends and distributions from the BlackRock Closed-End Fund investments under the plan are included in income affiliated in the Statements of Operations.

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## Notes to Financial Statements (continued)

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

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

### 2. Derivative Financial Instruments:

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

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

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

#### **Derivative Instruments Categorized by Risk Exposure:**

**The Effect of Derivative Instruments in the Statement of Operations  
Six Months Ended January 31, 2011**

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	<b>Net Realized Loss from MUC</b>
Interest rate contracts:	
Financial futures contracts	\$ (140,049)
	<b>Net Change in Unrealized Appreciation/Depreciation on MUC</b>
Interest rate contracts:	
Financial futures contracts	\$ 107,141

For the six months ended January 31, 2011, the average quarterly balance of outstanding derivative financial instruments was as follows:

	<b>MUC</b>
Financial futures contracts:	
Average number of contracts sold	25
Average notional value of contracts sold	\$ 3,111,671

### 3. Investment Advisory Agreement and Other Transactions with Affiliates:

The PNC Financial Services Group, Inc. ("PNC"), Bank of America Corporation ("BAC") and Barclays Bank PLC ("Barclays") are the largest stockholders of BlackRock, Inc. ("BlackRock"). Due to the ownership structure, PNC is an affiliate of the Funds for 1940 Act purposes, but BAC and Barclays are not.

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

MUC	0.55%
MUJ	0.55%
MFT	0.50%
MIY	0.50%
MJI	0.50%
MPA	0.50%

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

The Manager voluntarily agreed to waive its investment advisory fees by the amount of investment advisory fees each Fund pays to the Manager indirectly through its investment in affiliated money market funds, however the Manager does not waive its investment advisory fees by the amount of investment advisory fees paid through each Fund's investment in other affiliated investment companies, if any. This amount is shown as, or included in, fees waived by advisor in the Statements of Operations. For the six months ended January 31, 2011, the amounts waived were as follows:

MUC	\$24,371
MUJ	\$10,703
MFT	\$ 915
MIY	\$ 8,209
MJI	\$ 5,658
MPA	\$ 4,215

The Manager, for MUC and MUJ, voluntarily agreed to waive its investment advisory fee on the proceeds of the Preferred Shares and TOBs that exceed 35% of net assets applicable to Common Shareholders. This amount is

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## Notes to Financial Statements (continued)

included in fees waived by advisor in the Statements of Operations. For the six months ended January 31, 2011 the amounts waived were as follows:

	<b>Amount</b>
MUC	\$332,827
MUJ	\$ 43,110

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

For the period August 1, 2010 through December 31, 2010, the Funds reimbursed the Manager for certain accounting services, which are included in accounting services in the Statements of Operations. The reimbursements were as follows:

MUC	\$9,730
MUJ	\$1,949
MFT	\$1,828
MIY	\$1,728
MJI	\$ 828
MPA	\$2,571

Effective January 1, 2011, the Funds no longer reimburse the Manager for accounting services.

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

#### 4. Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended January 31, 2011, were as follows:

	<b>Purchases</b>	<b>Sales</b>
MUC	\$166,658,216	\$110,073,312
MUJ	\$ 33,393,203	\$ 37,698,608
MFT	\$ 25,912,699	\$ 18,899,959

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MIY	\$ 29,220,911	\$ 36,439,581
MJI	\$ 13,889,732	\$ 13,163,465
MPA	\$ 11,286,773	\$ 10,856,928

### 5. Capital Loss Carryforward:

As of July 31, 2010, the Funds had capital loss carryforwards available to offset future realized capital gains through the indicated expiration dates:

Expires July 31,	MUC	MFT	MIY	MPA
2011	\$ 3,015,538			
2012		\$ 2,081,725	\$3,875,883	
2016	2,097,897	659,619	1,689,814	
2017	8,756,104	993,919	2,031,132	\$2,948,179
2018		6,354,819		893,908
<b>Total</b>	<b>\$13,869,539</b>	<b>\$10,090,082</b>	<b>\$7,596,829</b>	<b>\$ 3,842,087</b>

Under the recently enacted Regulated Investment Company Modernization Act of 2010, capital losses incurred by the Funds after July 31, 2011 will not be subject to expiration. In addition, these losses must be utilized prior to the losses incurred in pre-enactment taxable years.

### 6. Concentration, Market and Credit Risk:

MUC, MUJ, MIY, MJI and MPA invest a substantial amount of their assets in issuers located in a single state or limited number of states. Please see the Schedules of Investments for concentrations in specific states.

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

In the normal course of business, the Funds invest in securities and enter into transactions where risks exist due to fluctuations in the market (market risk) or failure of the issuer of a security to meet all its obligations (issuer credit risk). The value of securities held by the Funds may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Funds; conditions affecting the general economy; overall market changes; local, regional or global political, social or economic instability; and currency and interest rate and price fluctuations. Similar to issuer credit risk, the Funds may be exposed to counterparty credit risk, or the risk that an entity with which the Funds have unsettled or open transactions may fail to or be unable to perform on its commitments. The Funds manage counterparty credit risk by entering into

transactions only with counterparties that they believe have the financial resources to honor their obligations and by monitoring the financial stability of those counterparties. Financial assets, which potentially expose the Funds to market, issuer and counterparty credit risks, consist principally of financial instruments and receivables due from counterparties. The extent of the Funds' exposure to market, issuer and counterparty credit risks with respect to these financial assets is generally approximated by their value recorded in the Funds' Statements of Assets and Liabilities, less any collateral held by the Funds.

MUC and MFT invest a significant portion of their assets in securities in the County/City/Special District/School District and Utilities sectors. MUJ and MJJ invest a significant portion of their assets in securities in the State sector. MIY invests a significant portion of its assets in securities in the County/City/Special District/School District sector. MPA invests a significant portion of its assets in securities in the County/City/Special District/School District and State sectors.

Changes in economic conditions affecting the County/City/Special District/School District, State and Utilities sectors would have a greater impact on the Funds and could affect the value, income and/or liquidity of positions in such securities.

#### 7. Capital Share Transactions:

MFT and MPA are authorized to issue an unlimited number of Common Shares, par value \$0.10 per share together with 1 million Preferred Shares of beneficial interest, par value is \$0.05 per share. Each Fund's Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

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## Notes to Financial Statements (continued)

MUC, MUJ, MIY, and MJJ are authorized to issue 200 million shares, including Preferred Shares, par value is \$0.10 per share or \$0.05 per share, all of which were initially classified as Common Shares. Each Fund's Board is authorized, however, to reclassify any unissued shares without approval of Common Shareholders.

### Common Shares

Shares issued and outstanding remained constant for MUC and MIY during the six months ended January 31, 2011 and the year ended July 31, 2010, respectively.

For MUJ, shares issued and outstanding increased by 12,381 as a result of reinvestment of dividends for the six months ended January 31, 2011 and remained constant during the year ended July 31, 2010.

For MFT, shares issued and outstanding increased by 6,451 for the six months ended January 31, 2011 and increased by 5,456 as a result of reinvestment of dividends during the year ended July 31, 2010.

For MJJ, shares issued and outstanding increased by 24,556 for the six months ended January 31, 2011 and increased by 15,316 as a result of reinvestment of dividends during the year ended July 31, 2010.

For MPA, shares issued and outstanding increased by 5,736 as a result of reinvestment of dividends for the six months ended January 31, 2011 and remained constant during the year ended July 31, 2010.

### Preferred Shares

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

From time to time in the future, each Fund may effect repurchases of its Preferred Shares at prices below their liquidation preference as agreed upon by the Fund and seller. Each Fund also may redeem its Preferred Shares from time to time as provided in the applicable Governing Instrument. Each Fund intends to effect such redemptions and/or repurchases to the extent necessary to maintain applicable asset coverage requirements or for such other reasons as the Board may determine.

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The holders of Preferred Shares have voting rights equal to the holders of Common Shares (one vote per share) and will vote together with holders of Common Shares (one vote per share) as a single class. However, the holders of Preferred Shares, voting as a separate class, are also entitled to elect two Directors for each Fund. In addition, the 1940 Act requires that along with approval by shareholders that might otherwise be required, the approval of the holders of a majority of any outstanding Preferred Shares, voting separately as a class would be required to (a) adopt any plan of

reorganization that would adversely affect the Preferred Shares, (b) change a Fund's sub-classification as a closed-end investment company or change its fundamental investment restrictions or (c) change its business so as to cease to be an investment company.

The Funds had the following series of Preferred Shares outstanding, effective yields and reset frequency as of January 31, 2011:

	Series	Preferred Shares	Effective Frequency		Reset
			Yield	Days	
MUC	A	1,251 <sup>1</sup>	0.41%	7	
	B	2,527 <sup>1</sup>	0.44%	7	
	C	2,084 <sup>1</sup>	0.44%	7	
	D	1,928 <sup>1</sup>	0.44%	7	
	E	2,370 <sup>1</sup>	0.44%	7	
MUJ	A	1,157 <sup>1</sup>	0.41%	7	
	B	1,157 <sup>1</sup>	0.44%	7	
	C	2,042 <sup>1</sup>	0.44%	7	
	D	1,599 <sup>1</sup>	0.44%	7	
	E	953 <sup>1</sup>	0.44%	7	
MFT	A	1,884 <sup>1</sup>	0.41%	7	
	B	377 <sup>2</sup>	1.50%	7	
MIY	A	1,753 <sup>1</sup>	0.44%	7	
	B	1,753 <sup>1</sup>	0.44%	7	
	C	1,403 <sup>1</sup>	0.44%	7	
	D	877 <sup>2</sup>	1.47%	7	
MJI	A	1,965 <sup>1</sup>	0.44%	7	
	B	614 <sup>2</sup>	1.50%	7	
MPA	A	1,041 <sup>1</sup>	0.41%	7	
	B	1,249 <sup>1</sup>	0.44%	7	
	C	364 <sup>2</sup>	1.50%	7	

<sup>1</sup> The maximum applicable rate on this series of Preferred Shares is the higher of 110% plus or times (i) the Telerate/BAA LIBOR or (ii) 90% of Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

<sup>2</sup> The maximum applicable rate on this series of Preferred Shares is the higher of 110% of the AA commercial paper rate or 110% of 90% of the Kenny S&P 30-day High Grade Index rate divided by 1.00 minus the marginal tax rate.

Dividends on seven-day Preferred Shares are cumulative at a rate, which is reset every seven days, based on the results of an auction. If the Preferred Shares fail to clear the auction on an auction date, each Fund is required to pay the maximum applicable rate on the Preferred Shares to holders of such shares for successive dividend periods until such time as the shares are successfully auctioned. The maximum applicable rate on all series of Preferred Shares is the higher of 110% of the AA commercial paper rate or 100% of 90% of the Kenny S&P 30-day High Grade Index divided by 1.00 minus the marginal tax rate. The low, high and average dividend rates on the Preferred Shares for each Fund for the six months ended January 31, 2011 were as follows:

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## Notes to Financial Statements (concluded)

	Series	Low	High	Average
MUC	A	0.37%	0.50%	0.42%
	B	0.37%	0.50%	0.42%
	C	0.37%	0.50%	0.42%
	D	0.37%	0.50%	0.42%
	E	0.37%	0.50%	0.42%
MUJ	A	0.37%	0.50%	0.42%
	B	0.37%	0.50%	0.42%
	C	0.37%	0.50%	0.42%
	D	0.37%	0.50%	0.42%
	E	0.37%	0.50%	0.42%
MFT	A	0.37%	0.50%	0.42%
	B	1.43%	1.56%	1.48%
MIY	A	0.37%	0.50%	0.42%
	B	0.37%	0.50%	0.42%
	C	0.37%	0.50%	0.42%
	D	0.37%	0.50%	0.42%
MJI	A	0.37%	0.50%	0.42%
	B	1.43%	1.56%	1.48%
MPA	A	0.37%	0.50%	0.42%
	B	0.37%	0.50%	0.42%
	C	1.43%	1.56%	1.48%

Since February 13, 2008, the Preferred Shares of the Funds failed to clear any of their auctions. As a result, the Preferred Shares dividend rates were reset to the maximum applicable rate, which ranged from 0.37% to 1.56% for the six months ended January 31, 2011. A failed auction is not an event of default for the Funds but it has a negative impact on the liquidity of Preferred Shares. A failed auction occurs when there are more sellers of a Fund's auction rate Preferred Shares than buyers. A successful auction for the Funds' Preferred Shares may not occur for some time, if ever, and even if liquidity does resume, Preferred Shareholders may not have the ability to sell the Preferred Shares at their liquidation preference.

The Funds may not declare dividends or make other distributions on Common Shares or purchase any such shares if, at the time of the declaration, distribution or purchase, asset coverage with respect to the outstanding Preferred Shares is less than 200%.

The Funds pay commissions of 0.15% on the aggregate principal amount

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

Preferred Shares issued and outstanding remained constant for the six months ended January 31, 2011 for all Funds.

During the period, MIY and MPA entered into a Fee Agreement (the Agreement ) with a financial institution in relation to the potential refinancing of Preferred Shares. Pursuant to the terms of the Agreement, effective February 1, 2011 MIY and MPA will pay a liquidity fee, through the earlier of the date of the potential refinancing or July 1, 2011, at an annual rate of 0.50% of the potential refinancing amounts.

### 8. Restatement Information:

During the year ended October 31, 2006 MIY determined that the criteria for sale accounting under US GAAP has not been met for certain transfers of municipal bonds related to investments in TOB Residuals, and that these transfers should have been accounted for as secured borrowings rather than as sales. As a result, certain financial highlights for the year ended October 31, 2005 for MIY have been restated to give effect to recording the transfers of the municipal bonds as secured borrowings, including recording interest on the bonds as interest income and interest on the secured borrowings as interest expense.

#### Financial Highlights for MIY

##### Year Ended October 31, 2005

	<b>Previously Reported</b>	<b>Restated</b>
Total expenses <sup>1</sup>	1.10%	1.42%
Total expenses after fees waived <sup>1</sup>	1.10%	1.42%
Portfolio turnover	30.16%	25%

<sup>1</sup> Do not reflect the effect of dividends to Preferred Shareholders.

### 9. Subsequent Events:

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

Each Fund paid a net investment income dividend on March 1, 2011 to Common Shareholders of record February 15, 2011 as follows:

	<b>Common Dividend Per Share</b>
MUC	\$0.0755
MUJ	\$0.0740
MFT	\$0.0710

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MIY	\$0.0765
MJI	\$0.0720
MPA	\$0.0765

Each Fund paid a net investment income dividend on March 31, 2011 to Common Shareholders of record March 15, 2011 as follows:

	<b>Common Dividend Per Share</b>
MUC	\$0.0765
MUJ	\$0.0740
MFT	\$0.0710
MIY	\$0.0765
MJI	\$0.0720
MPA	\$0.0765

The dividends declared on Preferred Shares for the period February 1, 2011 to February 28, 2011 were as follows:

	<b>Series</b>	<b>Dividends Declared</b>
MUC	A	\$ 2,555
	B	\$ 5,109
	C	\$ 2,261
	D	\$ 2,714
	E	\$ 4,149
MUJ	A	\$ 2,363
	B	\$ 1,255
	C	\$ 3,575
	D	\$ 2,251
	E	\$ 1,927
MFT	A	\$ 3,848
	B	\$ 1,903
MIY	A	\$ 3,069
	B	\$ 3,544
	C	\$ 1,975
	D	\$ 6,257
MJI	A	\$ 3,973
	B	\$ 2,456
MPA	A	\$ 8,361
	B	\$ 9,947
	C	\$10,296



## Officers and Directors

Richard E. Cavanagh, Chairman of the Board and Director  
Karen P. Robards, Vice Chair of the Board, Chair of the Audit Committee and Director  
Richard S. Davis, Fund President<sup>1</sup> and Director  
Frank J. Fabozzi, Director and Member of the Audit Committee  
Kathleen F. Feldstein, Director  
James T. Flynn, Director and Member of the Audit Committee  
Henry Gabbay, Director  
Jerrold B. Harris, Director  
R. Glenn Hubbard, Director  
W. Carl Kester, Director and Member of the Audit Committee  
Anne Ackerley, Fund President<sup>2</sup> and Chief Executive Officer  
Brendan Kyne, Vice President  
Brian Schmidt, Vice President  
Neal Andrews, Chief Financial Officer  
Jay Fife, Treasurer  
Brian Kindelan, Chief Compliance Officer  
Ira Shapiro, Secretary  
<sup>1</sup> Fund President for MFT and MPA  
<sup>2</sup> Fund President for MUC, MUJ, MIY and MJJ

### **Investment Advisor**

BlackRock Advisors, LLC  
Wilmington, DE 19809

### **Sub-Advisor**

BlackRock Financial Management, Inc.  
New York, NY 10055

### **Custodians**

State Street Bank and Trust Company<sup>3</sup>  
Boston, MA 02111

The Bank of New York Mellon<sup>4</sup>  
New York, NY 10286

### **Transfer Agent**

Common Shares  
Computershare Trust Company, N.A.<sup>3</sup>  
Providence, RI 02940

BNY Mellon Shareowner Services<sup>4</sup>  
Jersey City, NJ 07310

### **Auction Agent**

Preferred Shares

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BNY Mellon Shareowner Services  
Jersey City, NJ 07310

### **Accounting Agent**

State Street Bank and Trust Company  
Princeton, NJ 08540

### **Independent Registered Public Accounting Firm**

Deloitte & Touche LLP  
Princeton, NJ 08540

### **Legal Counsel**

Skadden, Arps, Slate, Meagher & Flom LLP  
New York, NY 10036

### **Address of the Funds**

100 Bellevue Parkway  
Wilmington, DE 19809

<sup>3</sup> For MPA

<sup>4</sup> For MUC, MUJ, MFT, MIY and MJJ

Effective February 11, 2011, John M. Perlowski became President and Chief Executive Officer of the Funds.

Effective November 10, 2010, Ira Shapiro became Secretary of the Funds.

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## Additional Information

### Proxy Results

The Annual Meeting of Shareholders was held on September 2, 2010 for shareholders of record on July 6, 2010, to elect director nominees for each Fund. Due to a lack of quorum of Preferred Shares, action on the proposal regarding the Preferred Shares nominees' election for MFT, MIY, MJJ, MPA and MUC was subsequently adjourned to October 5, 2010; and action on the proposal regarding Preferred Shares nominees' election for MFT and MPA was additionally adjourned to November 2, 2010. There were no broker non-votes with regard to any of the Funds.

	<b>Richard E. Cavanagh</b>			<b>Richard S. Davis</b>			<b>Frank J. Fabozzi</b>		
	<b>Votes</b>			<b>Votes</b>			<b>Votes</b>		
	<b>Votes For</b>	<b>Withheld</b>	<b>Abstain</b>	<b>Votes For</b>	<b>Withheld</b>	<b>Abstain</b>	<b>Votes For</b>	<b>Withheld</b>	<b>Abstain</b>
MUC	33,365,538	1,778,962	0	33,403,157	1,741,343	0	1,895	61	3,596
MUJ	18,723,497	433,592	0	18,687,233	469,856	0	1,339	988	0
MFT <sup>1</sup>	7,047,589	419,540	0	7,041,016	426,113	0	698	16	0
MIY	15,265,979	569,280	0	15,290,454	544,805	0	1,616	23	569
MJI	7,456,535	200,773	0	7,458,111	199,197	0	381	120	424
MPA <sup>1</sup>	10,499,533	247,006	0	10,486,280	260,259	0	586	10	0
					<b>James T. Flynn</b>				<b>Henry Gabbay</b>
					<b>Votes</b>				<b>Votes</b>
					<b>Votes For</b>				<b>Votes For</b>
					<b>Withheld</b>				<b>Withheld</b>
					<b>Abstain</b>				<b>Abstain</b>
MUC	33,271,028	1,873,472	0	33,386,787	1,757,713	0	33,401,943	1,742,557	0
MUJ	18,544,214	612,875	0	18,729,957	427,132	0	18,744,553	412,536	0
MFT	7,026,724	440,405	0	7,044,589	422,540	0	7,047,589	419,540	0
MIY	15,213,327	621,932	0	15,225,773	609,486	0	15,249,609	585,650	0
MJI	7,416,299	241,009	0	7,522,210	135,098	0	7,457,310	199,998	0
MPA	10,481,819	264,720	0	10,486,239	260,300	0	10,489,591	256,948	0
					<b>R. Glenn Hubbard</b>				<b>W. Carl Kester</b>
					<b>Votes</b>				<b>Votes</b>
					<b>Votes For</b>				<b>Votes For</b>
					<b>Withheld</b>				<b>Withheld</b>
					<b>Abstain</b>				<b>Abstain</b>
MUC	33,298,703	1,845,797	0	33,352,559	1,791,941	0	1,895	61	3,596
MUJ	18,721,239	435,850	0	18,621,695	535,394	0	1,341	1,335	0
MFT <sup>1</sup>	7,039,032	428,097	0	7,047,589	419,540	0	698	16	0
MIY	15,227,534	607,725	0	15,263,244	572,015	0	1,616	23	569
MJI	7,459,685	197,623	0	7,456,310	200,998	0	381	120	424
MPA <sup>1</sup>	10,486,202	260,337	0	10,491,773	254,766	0	586	10	0
					<b>Karen P. Robards</b>				

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	Votes		
	Votes For	Withheld	Abstain
MUC	33,246,475	1,898,025	0
MUJ	18,630,372	526,717	0
MFT	7,047,589	419,540	0
MIY	15,275,535	559,724	0
MJI	7,432,662	224,646	0
MPA	10,503,429	243,110	0

<sup>1</sup> Due to the lack of a quorum of Preferred Shares, MFT and MPA were unable to act on the election of the two directors reserved for election solely by the Preferred Shareholders for the Funds. Accordingly, Frank J. Fabozzi and W. Carl Kester will remain in office and continue to serve as directors for the Funds.

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## Additional Information (continued)

### Dividend Policy

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

### General Information

On June 10, 2010, BlackRock Advisors, LLC, the Funds' investment advisor (the "Manager"), announced that MUJ and MIY each received a demand letter from a law firm on behalf of Common Shareholders of MUJ and MIY. The demand letters allege that the Manager and officers and Boards of Directors (the "Boards") of MUJ and MIY breached their fiduciary duties by redeeming at par certain of MUJ and MIY's Preferred Shares, and demanded that the Boards take action to remedy those alleged breaches. In response to the demand letter, the Boards established a Demand Review Committee (the "Committee") of the Independent Directors to investigate the claims made in the demand letters with the assistance of independent counsel. Based upon its investigation, the Committee recommended that the Boards reject the demand specified in the demand letters. After reviewing the findings of the Committee, the Board for each Fund unanimously adopted the Committee's recommendation and unanimously voted to reject the demand.

### Electronic Delivery

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

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

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

#### Householding

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

#### Availability of Quarterly Schedule of Investments

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

#### Availability of Proxy Voting Policies and Procedures

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

#### Availability of Proxy Voting Record

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

#### Availability of Fund Updates

BlackRock will update performance and certain other data for the Funds on a monthly basis on its website in the Closed-end Funds section of <http://www.blackrock.com>. Investors and others are advised to periodically check the website for updated performance information and the release of other material information about the Funds.

## Additional Information (continued)

### Board Approvals

On September 1, 2010, the Board of Directors (the **Boards**) of MUC, MUJ, MFT, MIY, MJJ, and MPA (the **Funds**) approved changes to certain investment policies of the Funds.

Historically, under normal market conditions, each Fund has been required to invest at least 80% of its assets in municipal bonds either (i) insured under an insurance policy purchased by the Fund or (ii) insured under an insurance policy obtained by the issuer of the municipal bond or any other party. In September 2008, the Funds adopted an amended investment policy of purchasing only municipal bonds insured by insurance providers with claims-paying abilities rated investment grade at the time of investment (the **Insurance Investment Policy**).

Following the onset of the credit and liquidity crises, the claims-paying ability rating of most of the municipal bond insurance providers was lowered by the rating agencies. These downgrades called into question the long-term viability of the municipal bond insurance market, which had the potential to severely limit the ability of the Manager to manage the Funds under the Insurance Investment Policy.

As a result, on September 1, 2010, the Manager recommended, and the Boards approved, the removal of the Insurance Investment Policy. As a result of this investment policy change, the Funds are not required to dispose of assets currently held within the Funds. The Funds will maintain, and have no current intention to amend, their investment policy of, under normal market conditions, generally investing in municipal obligations rated investment grade at the time of investment.

As each Fund increases the amount of its assets that are invested in municipal obligations that are not insured, the Fund's shareholders will be exposed to the risk of the failure of such securities' issuers to pay interest and repay principal and will not have the benefit of protection provided under municipal bond insurance policies. As a result, shareholders will be more dependent on the analytical ability of the Manager to evaluate the credit quality of issuers of municipal obligations in which the Fund invests. The Boards believe that the amended investment policy is in the best interests of each Fund and its shareholders because it believes that the potential benefits from increased flexibility outweigh the potential increase in risk from the lack of insurance policies provided by weakened insurance providers. Of course, the new investment policy cannot assure that each Fund will achieve its investment objective.

As disclosed in each Fund's prospectus, each Fund is required to provide shareholders 60 days notice of a change to the Insurance Investment

Policy. Accordingly, a notice describing the changes discussed above was mailed to shareholders of record as of September 1, 2010. The new investment policy took effect on November 9, 2010. The Manager has been gradually repositioning each Fund's portfolios over time, and during such period, each Fund may continue to hold a substantial portion of its assets in insured municipal bonds. At this time, the repositioning of each Fund's portfolio is still taking place, and the Funds will continue to be subject to risks associated with investing a substantial portion of their assets in insured municipal bonds until the repositioning is complete. No action is required by shareholders of the Funds in connection with this change.

In connection with this change in non-fundamental policy, each of the Funds underwent a name change to reflect its new portfolio characteristics.

Each Fund continues to trade on the New York Stock Exchange under its current ticker symbol.

The approved changes did not alter any Fund's investment objective.

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## Additional Information (concluded)

### **BlackRock Privacy Principles**

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

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

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

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

We may share information with our affiliates to service your account or to provide you with information about other BlackRock products or services that may be of interest to you. In addition, BlackRock restricts access to non-public personal information about its Clients to those BlackRock employees with a legitimate business need for the information. BlackRock maintains physical, electronic and procedural safeguards that are designed to protect the non-public personal information of its Clients, including procedures relating to the proper storage and disposal of such information.

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This report is transmitted to shareholders only. It is not a prospectus. Past performance results shown in this report should not be considered a representation of future performance. The Funds have leveraged their Common Shares, which creates risks for Common

Shareholders, including the likelihood of greater volatility of net asset value and market price of the Common Shares, and the risk that fluctuations in the short-term dividend rates of the Preferred Shares, currently set at the maximum reset rate as a result of failed

auctions, may reduce the Common Shares yield. Statements and other information herein are as dated and are subject to change.

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Item 2 Code of Ethics Not Applicable to this semi-annual report

Item 3 Audit Committee Financial Expert Not Applicable to this semi-annual report

Item 4 Principal Accountant Fees and Services Not Applicable to this semi-annual report

Item 5 Audit Committee of Listed Registrants Not Applicable to this semi-annual report

Item 6 Investments

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

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

Item 7 Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies Not Applicable to this semi-annual report

Item 8 Portfolio Managers of Closed-End Management Investment Companies

(a) Not Applicable to this semi-annual report

(b) As of the date of this filing, there have been no changes to any of the portfolio managers identified in the most recent annual report on Form N-CSR

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

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

Item 11 Controls and Procedures

(a) The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12 Exhibits attached hereto

(a)(1) Code of Ethics Not Applicable to this semi-annual report

(a)(2) Certifications Attached hereto

(a)(3) Not Applicable

(b) Certifications Attached hereto

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Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniHoldings New Jersey Quality Fund, Inc.

By: /S/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings New Jersey Quality Fund, Inc.

Date: April 4, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /S/ John M. Perlowski

John M. Perlowski

Chief Executive Officer (principal executive officer) of  
BlackRock MuniHoldings New Jersey Quality Fund, Inc.

Date: April 4, 2011

By: /S/ Neal J. Andrews

Neal J. Andrews

Chief Financial Officer (principal financial officer) of  
BlackRock MuniHoldings New Jersey Quality Fund, Inc.

Date: April 4, 2011

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