

Edgar Filing: APEX MUNICIPAL FUND INC - Form N-Q

APEX MUNICIPAL FUND INC  
 Form N-Q  
 May 26, 2005

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
 MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-5227

Name of Fund: Apex Municipal Fund, Inc.

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

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

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

Date of fiscal year end: 06/30/05

Date of reporting period: 01/01/05 - 03/31/05

Item 1 - Schedule of Investments

Apex Municipal Fund, Inc.  
 Schedule of Investments as of March 31, 2005 (in Thousands)

State	Face Amount	Municipal Bonds
Alabama - 0.5%	\$ 1,000	Brewton, Alabama, IDB, PCR, Refunding (Container Corporation of America-Jefferson Smurfit Corp. Project), 8% due 4/01/2009
Alaska - 1.1%	2,000	Alaska Industrial Development and Export Authority Revenue Bond (Williams Lynxs Alaska Cargoport), AMT, 8% due 5/01/2023
Arizona - 4.1%	1,000	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.625% due 7/01/2020
	80	Maricopa County, Arizona, IDA, M/F Housing Revenue Bonds (Sun King Apartments Project): Series A, 5.875% due 11/01/2008
	20	Series A, 6% due 11/01/2010
	970	Series A, 6.75% due 5/01/2031
	1,500	Sub-Series C, 9.50% due 11/01/2031
	4,000	Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bond (America West Airlines Inc. Project), AMT, 6.30% due 4/01/2023
	1,000	Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project), Series E, 7.25% due 7/01/2031

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	500	Yavapai County, Arizona, IDA, Hospital Facility Revenue Bonds (Yavapai Regional Medical Center), Series A, 6% due 8/01/2033
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California - 3.7%		California State, GO:
	1,800	5% due 2/01/2033
	820	5.25% due 4/01/2034
	1,300	California State, Various Purpose, GO, 5.25% due 11/01/2025
	1,000	Fontana, California, Special Tax, Refunding (Community Facilities Number 22 - Sierra), 6% due 9/01/2034
	1,860	Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2043

Portfolio Abbreviations

To simplify the listings of Apex Municipal Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

AMT	Alternative Minimum Tax (subject to)
EDA	Economic Development Authority
GO	General Obligation Bonds
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
VRDN	Variable Rate Demand Notes

Apex Municipal Fund, Inc.

Schedule of Investments as of March 31, 2005

(in Thousands)

State	Face Amount	Municipal Bonds
-----		
Colorado - 5.7%	\$ 2,920	Denver, Colorado, Urban Renewal Authority, Tax Increment Revenue Bonds (Pavilions), AMT, 7.75% due 9/01/2016
	2,800	Elk Valley, Colorado, Public Improvement Revenue Bonds (Public Improvement Fee), Series A, 7.30% due 9/01/2022
	300	Moffat County, Colorado, PCR, Refunding (PacifiCorp Projects), 2.30% due 5/01/2013 (a) (b)
	1,235	North Range, Colorado, Metropolitan District Number 1, GO, 7.25% due 12/15/2031
	2,000	Plaza Metropolitan District No. 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8% due 12/01/2025
	830	Southlands, Colorado, Medical District, GO (Metropolitan District), 7.125% due 12/01/2034
-----		
Connecticut - 1.8%	1,650	Bridgeport, Connecticut, Senior Living Facilities Revenue Bonds (Retirement Community Project), 7.25% due 4/01/2035
	490	Connecticut State Development Authority, Airport Facility Revenue Bonds (LearJet Inc. Project), AMT, 7.95% due 4/01/2026
	1,160	New Haven, Connecticut, Facility Revenue Bonds (Hill Health Center Project), 9.25% due 5/01/2017
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Florida - 7.7%	855	Arbor Greene Community Development District, Florida, Special Assessment Revenue Bonds, 7.7% due 12/01/2034

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	800	Revenue Bonds, 7.60% due 5/01/2018
	800	Capital Projects Finance Authority, Florida, Continuing Care Re
	2,500	Revenue Bonds (Glenridge on Palmer Ranch), Series A, 8% due 6/0
	895	Hillsborough County, Florida, IDA, Exempt Facilities Revenue Bo (National Gypsum), AMT, Series A, 7.125% due 4/01/2030
	1,500	Lakewood Ranch, Florida, Community Development District Number Special Assessment Revenue Refunding Bonds, Series A, 6.70% due Midtown Miami, Florida, Community Development District, Special Revenue Bonds, Series A: 6% due 5/01/2024
	1,350	6.25% due 5/01/2037
	1,605	Orlando, Florida, Urban Community Development District, Capital Special Assessment Bonds, Series A, 6.95% due 5/01/2033
	1,700	Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6.25% due 7/01/2028
	2,760	Tampa Palms, Florida, Open Space and Transportation Community Development District Revenue Bonds, Capital Improvement (Richmo Place Project), 7.50% due 5/01/2018
Georgia - 3.3%	2,000	Atlanta, Georgia, Tax Allocation Revenue Bonds (Atlantic Statio 7.90% due 12/01/2024
	830	Brunswick & Glynn County, Georgia, Development Authority, First Revenue Bonds (Coastal Community Retirement Corporation Project 7.125% due 1/01/2025
	1,185	7.25% due 1/01/2035
	1,000	Milledgeville-Baldwin County, Georgia, Development Authority Re (Georgia College and State University Foundation), 5.25% due 9/
	830	Savannah, Georgia, EDA, Revenue Bonds (Marshes of Skidaway), Fi Mortgage, Series A, 7.40% due 1/01/2034

Apex Municipal Fund, Inc.

Schedule of Investments as of March 31, 2005

(in Thousands)

State	Face Amount	Municipal Bonds
Idaho - 0.8%	\$ 1,470	Idaho Health Facilities Authority, Revenue Refunding Bonds (Val Corporation), Series A, 7.75% due 11/15/2016
Illinois - 5.0%	1,845	Caseyville, Illinois, Senior Tax Increment Revenue Bonds (Fores 7% due 12/30/2022
	3,000	Chicago, Illinois, O'Hare International Airport, Special Facili Refunding Bonds (American Airlines Inc. Project), 8.20% due 12/
	400	Chicago, Illinois, Special Assessment Bonds (Lake Shore East), due 12/01/2032
	585	Illinois Development Finance Authority Revenue Bonds (Primary H Centers Facilities Acquisition Program): 7.75% due 12/01/2006 (c)
	2,605	7.75% due 12/01/2016
	490	Illinois State Finance Authority Revenue Bonds (Primary Health Program), 6.60% due 7/01/2024
	755	Lincolnshire, Illinois, Special Service Area No. 1, Special Tax (Sedgebrook Project), 6.25% due 3/01/2034

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Iowa - 2.5%	3,910	Iowa Finance Authority, Health Care Facilities, Revenue Refunding (Care Initiatives Project), 9.25% due 7/01/2025
Louisiana - 3.0%	5,500	Port New Orleans, Louisiana, IDR, Refunding (Continental Grain Project), 7.50% due 7/01/2013
Maine - 0.5%	840	Maine Finance Authority, Solid Waste Recycling Facilities Revenue (Great Northern Paper Project-Bowater), AMT, 7.75% due 10/01/20
Maryland - 0.8%	1,500	Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration-AES Warrior Run), AMT, 7.40% due 9/
Massachusetts - 5.0%	1,845	Massachusetts State Development Finance Agency, First Mortgage Bonds (Overlook Communities Inc.), Series A, 6.25% due 7/01/203
	1,245	Massachusetts State Development Finance Agency, Revenue Refunding Bonds (Eastern Nazarine College):
	1,220	5.625% due 4/01/2019
	850	5.625% due 4/01/2029
	850	Massachusetts State Health and Educational Facilities Authority Bonds (Jordan Hospital), Series E, 6.75% due 10/01/2033
	2,100	Massachusetts State Health and Educational Facilities Authority Refunding Bonds:
	1,000	(Bay Cove Human Services Issue), Series A, 5.90% due 4/01/2
	1,300	(Milton Hospital), Series, 5.50% due 7/01/2016
	1,300	Massachusetts State Industrial Finance Agency Revenue Bonds, Se Facility (Resource Control Composting), AMT, 9.25% due 6/01/201
Michigan - 0.6%	1,150	Macomb County, Michigan, Hospital Finance Authority, Hospital R Bonds (Mount Clemens General Hospital), Series B, 5.875% due 11

Apex Municipal Fund, Inc.

Schedule of Investments as of March 31, 2005

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State	Face Amount	Municipal Bonds
Minnesota - 1.1%	\$ 820	Minneapolis & Saint Paul, Minnesota, Metropolitan Airports Comm Special Facilities Revenue Refunding Bonds (Northwest Airlines AMT, 7.375% due 4/01/2025
	1,230	Saint Paul, Minnesota, Port Authority, Hotel Facility, Revenue Bonds (Radisson Kellogg Project), Series 2, 7.375% due 8/01/202
Missouri - 1.2%	1,200	Fenton, Missouri, Tax Increment Revenue Refunding and Improvement Bonds (Gravois Bluffs), 7% due 10/01/2021
	1,000	Kansas City, Missouri, IDA, First Mortgage Health Facilities Re (Bishop Spencer Place), Series A, 6.50% due 1/01/2035
Nevada - 0.2%	430	Clark County, Nevada, Improvement District No. 142 Special Asses 6.375% due 8/01/2023
New Jersey - 15.0%		Camden County, New Jersey, Improvement Authority, Lease Revenue (Holt Hauling & Warehousing), AMT, Series A (d) (e):
	2,000	9.625% due 1/01/2011
	4,500	9.875% due 1/01/2021

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	6,000	Camden County, New Jersey, Pollution Control Financing Authority Waste Resource Recovery Revenue Refunding Bonds, AMT, Series A, 7.50% due 12/01/2010
	2,170	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2020
	1,500	New Jersey EDA, IDR, Refunding (Newark Airport Marriott Hotel), due 10/01/2014
	1,000	New Jersey EDA, Retirement Community Revenue Bonds, Series A: (Cedar Crest Village Inc. Facility), 7.25% due 11/15/2031
	3,700	(Seabrook Village Inc.), 8.125% due 11/15/2023
		New Jersey EDA, Special Facility Revenue Bonds (Continental Air Project), AMT:
	3,050	6.625% due 9/15/2012
	5,135	6.25% due 9/15/2029
	1,870	New Jersey Health Care Facilities Financing Authority Revenue Bonds (Pascack Valley Hospital Association), 6.625% due 7/01/2036
	2,675	Tobacco Settlement Financing Corporation of New Jersey, Asset Refunding Bonds, 5.75% due 6/01/2032
	1,075	Tobacco Settlement Financing Corporation of New Jersey Revenue Bonds, 7% due 6/01/2041
-----		
New Mexico - 2.8%	5,000	Farmington, New Mexico, PCR, Refunding (Tucson Electric Power Company Juan Project), Series A, 6.95% due 10/01/2020
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New York - 3.9%	1,000	Dutchess County, New York, IDA, Civic Facility Revenue Bonds (Saratoga Hospital), Series B, 7.50% due 3/01/2029
	350	New York City, New York, City IDA, Civic Facility Revenue Bonds Series C, 6.80% due 6/01/2028
	1,495	(Special Needs Facility Pooled Program), Series C-1, 6.50% due 6/01/2028
	1,730	New York City, New York, City IDA, Special Facility Revenue Bonds (Airways PLC Project), AMT, 7.625% due 12/01/2032
		Utica, New York, GO, Public Improvement:
	700	9.25% due 8/15/2005
	635	9.25% due 8/15/2006

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(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 1,180	Westchester County, New York, IDA, Continuing Care Retirement, Revenue Bonds (Kendal on Hudson Project), Series A, 6.50% due 12/01/2020
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North Carolina - 0.6%	1,000	North Carolina Medical Care Commission, Retirement Facilities, Mortgage Revenue Bonds (Givens Estates Project), Series A, 6.50% due 7/01/2032
-----		
Oregon - 0.7%	1,310	Western Generation Agency, Oregon, Cogeneration Project Revenue Bonds (Wauna Cogeneration Project), AMT, Series B, 7.40% due 1/01/2016
-----		
Pennsylvania - 6.2%	1,750	Chester County, Pennsylvania, Health and Education Facilities Authority Senior Living Revenue Refunding Bonds (Jenners Pond Inc. Project), 7.625% due 7/01/2034
		Montgomery County, Pennsylvania, Higher Education and Health Authority Revenue Bonds, 6.50% due 7/01/2034

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		Revenue Bonds (Faulkeways at Gwynedd Project):
	900	6.75% due 11/15/2024
	925	6.75% due 11/15/2030
	1,700	Montgomery County, Pennsylvania, IDA, Revenue Bonds (Whitemarsh Continuing Care Project), 6.25% due 2/01/2035
	1,600	Philadelphia, Pennsylvania, Authority for IDR: (Air Cargo), AMT, Series A, 7.50% due 1/01/2025
	4,460	Commercial Development, 7.75% due 12/01/2017
-----		
Tennessee - 1.0%	1,800	Shelby County, Tennessee, Health, Educational and Housing Facilities Revenue Bonds (Germantown Village), Series A, 7.25% due 12/01/2024
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Texas - 9.0%	1,000	Austin, Texas, Convention Center Revenue Bonds (Convention Entertainment First Tier, Series A, 6.70% due 1/01/2028
	2,530	Brazos River Authority, Texas, PCR, Refunding, AMT: (Texas Utility Company), Series A, 7.70% due 4/01/2033
	2,760	(Utilities Electric Company), Series B, 5.05% due 6/01/2030
	1,220	Brazos River Authority, Texas, Revenue Refunding Bonds (Reliant Energy Project), Series B, 7.75% due 12/01/2018
	1,660	Grand Prairie, Texas, Housing Finance Corporation Revenue Bonds (Independent Senior Living Center), 7.75% due 1/01/2034
	1,000	Houston, Texas, Health Facilities Development Corporation, Retirement Revenue Bonds (Buckingham Senior Living Community), Series A, 7.75% due 2/15/2034
	2,310	Matagorda County, Texas, Navigation District Number 1, Revenue Refunding Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/2029
	1,330	Port Corpus Christi, Texas, Individual Development Corporation, Facilities Revenue Bonds (Citgo Petroleum Corporation Project), Series A, 7.75% due 11/01/2031
	2,000	Port Corpus Christi, Texas, Revenue Refunding Bonds (Celanese Project), Series B, 6.70% due 11/01/2030
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Utah - 1.2%	2,240	Carbon County, Utah, Solid Waste Disposal, Revenue Refunding Bonds (Environmental), AMT, Series A, 7.45% due 7/01/2017

Apex Municipal Fund, Inc.

Schedule of Investments as of March 31, 2005

(in Thousands)

State	Face Amount	Municipal Bonds
Virginia - 6.5%	\$ 2,480	Dulles Town Center, Virginia, Community Development Authority, Assessment Tax (Dulles Town Center Project), 6.25% due 3/01/2024
	32,600	Pocahontas Parkway Association, Virginia, Toll Road Revenue Bonds (Series B, 5.875%** due 8/15/2025
-----		
West Virginia - 0.4%	875	Princeton, West Virginia, Hospital Revenue Refunding Bonds (Community Hospital Association Inc. Project), 6.20% due 5/01/2013
-----		
Wisconsin - 0.7%	1,320	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (New Castle Place Project), Series A, 7% due 12/01/2031
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Wyoming - 1.0%	1,800	Sweetwater County, Wyoming, Solid Waste Disposal Revenue Bonds (Community Corporation Project), AMT, Series A, 7% due 6/01/2024

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U.S. Virgin Islands	2,100	Virgin Islands Government Refinery Facilities, Revenue Refundin (Hovensa Coker Project), AMT, 6.50% due 7/01/2021
- 1.2%		
		Total Investments (Cost - \$184,707*) - 98.8%
		Other Assets Less Liabilities - 1.2%
		Net Assets - 100.0%

\* The cost and unrealized appreciation (depreciation) of investments as of March 31, 2005, as computed for federal income tax purposes, were as follows:

	(in Thousands)
Aggregate cost	\$ 184,688
Gross unrealized appreciation	\$ 9,269
Gross unrealized depreciation	(8,367)
Net unrealized appreciation	\$ 902

- \*\* Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase by the Fund.
- (a) AMBAC Insured.
  - (b) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.
  - (c) Prerefunded.
  - (d) Non-income producing - issuer filed for bankruptcy or is in default of interest payments.
  - (e) Restricted securities as to resale, representing 0.4% of net assets:

Issue	Acquisition Date
Camden County, New Jersey, Improvement Authority, Lease Revenue Bonds (Holt Hauling & Warehousing), AMT, Series A, 9.625% due 1/01/2011	1/29/1997
Camden County, New Jersey, Improvement Authority, Lease Revenue Bonds (Holt Hauling & Warehousing), AMT, Series A, 9.875% due 1/01/2021	2/06/1996- 1/29/1997
Total	

Item 2 - Controls and Procedures

- 2(a) - The registrant's certifying officers have reasonably designed such disclosure controls and procedures to ensure material information relating to the registrant is made known to us by others particularly

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during the period in which this report is being prepared. The registrant's certifying officers have determined that the registrant's disclosure controls and procedures are effective based on our evaluation of these controls and procedures as of a date within 90 days prior to the filing date of this report.

2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the Act (17 CFR 270.30a-3(d)) that occurred during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

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

Apex Municipal Fund, Inc.

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

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Robert C. Doll, Jr.  
Chief Executive Officer  
Apex Municipal Fund, Inc.

Date: May 23, 2005

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

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

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Robert C. Doll, Jr.  
Chief Executive Officer  
Apex Municipal Fund, Inc.

Date: May 23, 2005

By: /s/ Donald C. Burke

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Donald C. Burke  
Chief Financial Officer  
Apex Municipal Fund, Inc.

Date: May 23, 2005