

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

APEX MUNICIPAL FUND INC  
 Form N-Q  
 November 28, 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: 06/30/06

Date of reporting period: 07/01/05 - 09/30/05

Item 1 - Schedule of Investments

Apex Municipal Fund, Inc.  
 Schedule of Investments as of September 30, 2005 (in Thousands)

State	Face Amount	Municipal Bonds
Alabama - 1.1%	\$ 1,000	Brewton, Alabama, IDB, PCR, Refunding (Container Corporati America-Jefferson Smurfit Corp. Project), 8% due 4/01/2009
	1,200	Sylacauga, Alabama, Health Care Authority Revenue Bonds (Coosa Valley Medical Center), Series A, 6% due 8/01/2035
Alaska - 0.9%	2,000	Alaska Industrial Development and Export Authority Revenue (Williams Lynxs Alaska Cargoport), AMT, 8% due 5/01/2023
Arizona - 3.4%	1,000	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project 1), Series A, 6.625% due
	80	Maricopa County, Arizona, IDA, M/F Housing Revenue Bonds (Sun King Apartments Project), Series A:
	20	5.875% due 11/01/2008
	1,020	6% due 11/01/2010
	4,000	6.75% due 5/01/2031
	1,000	Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding (America West Airlines Inc. Project), AMT, 6.30% due 4/01/
		Pima County, Arizona, IDA, Education Revenue Bonds (Arizona Charter Schools Project), Series E, 7.25% due 7/0

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	500	Yavapai County, Arizona, IDA, Hospital Facility Revenue Bonds (Yavapai Regional Medical Center), Series A, 6% due 8/01/2023
-----		
California - 3.3%	1,800	California State, GO, 5% due 2/01/2033
	1,300	California State, Various Purpose, GO, 5.25% due 11/01/2023
	1,000	Fontana, California, Special Tax, Refunding (Community Facilities District Number 22 - Sierra), 6% due 11/01/2023
	1,860	Golden State Tobacco Securitization Corporation of California, Tobacco Settlement Revenue Bonds, Series B, 5.25% due 6/01/2013 (a)
-----		
Colorado - 5.5%	2,765	Denver, Colorado, Urban Renewal Authority, Tax Incremental 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
	1,235	North Range, Colorado, Metropolitan District Number 1, GO, 7.25% due 12/15/2031
	2,000	Plaza Metropolitan District Number. 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8% due 12/01/2025
	830	Southlands, Colorado, Medical District, GO (Metropolitan District Number 1), 7.125% due 12/01/2034
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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 September 30, 2005

(in Thousands)

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-----		
Connecticut - 1.7%	\$ 1,650	Bridgeport, Connecticut, Senior Living Facilities Revenue Bonds (3030 Park Retirement Community Project), 7.25% due 4/01/2017
	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 Corporation Project), 9.25% due 5/01/2017
-----		
Florida - 8.0%	805	Arbor Greene Community Development District, Florida, Special Revenue Bonds, 7.60% due 5/01/2018
	800	Capital Projects Finance Authority, Florida, Continuing Care Retirement Community Revenue Bonds, 7.25% due 11/01/2018

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		Revenue Bonds (Glenridge on Palmer Ranch), Series A, 8% due
2,500		Hillsborough County, Florida, IDA, Exempt Facilities Revenue
		(National Gypsum), AMT, Series A, 7.125% due 4/01/2030
870		Lakewood Ranch, Florida, Community Development District Nu
		Assessment Revenue Refunding Bonds, Series A, 6.70% due 5/
		Midtown Miami, Florida, Community Development District, Sp
		Revenue Bonds, Series A:
1,500		6% due 5/01/2024
1,350		6.25% due 5/01/2037
1,580		Orlando, Florida, Urban Community Development District, Ca
		Improvement Special Assessment Bonds, Series A, 6.95% due
1,700		Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6
		due 7/01/2028
2,640		Tampa Palms, Florida, Open Space and Transportation Commun
		District Revenue Bonds, Capital Improvement (Richmond Plac
		7.50% due 5/01/2018
685		Tern Bay Community Development District, Florida, Capital
		Revenue Refunding Bonds, Series A, 5.375% due 5/01/2037
-----		
Georgia - 3.3%		Atlanta, Georgia, Tax Allocation Bonds:
2,000		(Atlantic Station Project), 7.90% due 12/01/2024
410		(Eastside Project), Series B, 5.40% due 1/01/2020
		Brunswick and Glynn County, Georgia, Development Authority
		Revenue Bonds (Coastal Community Retirement Corporation Pr
		Series A:
830		7.125% due 1/01/2025
1,185		7.25% due 1/01/2035
700		Fulton County, Georgia, Development Authority, PCR
		(General Motors Corporation), Refunding, VRDN, 5.78% due 4
830		Savannah, Georgia, EDA, Revenue Bonds (Marshes of Skidaway
		First Mortgage, Series A, 7.40% due 1/01/2034
-----		
Idaho - 0.8%	1,470	Idaho Health Facilities Authority, Revenue Refunding Bonds
		(Valley Vista Care Corporation), Series A, 7.75% due 11/15
-----		
Illinois - 6.5%	1,845	Caseyville, Illinois, Senior Tax Increment Revenue Bonds
		(Forest Lakes Project), 7% due 12/30/2022
	3,000	Chicago, Illinois, O'Hare International Airport, Special F
		Refunding Bonds (American Airlines Inc. Project), 8.20% du

Apex Municipal Fund, Inc.

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(in Thousands)

State	Face Amount	Municipal Bonds
		Illinois Development Finance Authority Revenue Bonds (Prim
		Centers Facilities Acquisition Program):
	\$ 585	7.75% due 12/01/2006 (a)
	2,605	7.75% due 12/01/2016
	490	Illinois State Finance Authority Revenue Bonds (Primary He
		Centers Program), 6.60% due 7/01/2024
	755	Lincolnshire, Illinois, Special Service Area Number. 1, Sp
		(Sedgebrook Project), 6.25% due 3/01/2034
	2,400	Lombard, Illinois, Public Facilities Corporation, First Ti
		(Conference Center and Hotel), Series A-1, 7.125% due 1/01

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	760	Village of Wheeling, Illinois, Revenue Bonds (North Milwaukee Tax Increment Financing (TIF) Redevelopment Project), 6% due 10/01/2025
Iowa - 2.5%	3,855	Iowa Finance Authority, Health Care Facilities, Revenue Refunding Bonds (Care Initiatives Project), 9.25% due 7/01/2025
Maine - 0.4%	840	Maine Finance Authority, Solid Waste Recycling Facilities (Great Northern Paper Project-Bowater), AMT, 7.75% due 10/01/2025
Maryland - 0.8%	1,500	Maryland State Energy Financing Administration, Limited Obligation Bonds (Cogeneration-AES Warrior Run), AMT, 7.40% due 9/01/2025
Massachusetts - 5.0%	1,845	Massachusetts State Development Finance Agency, First Mortgage Bonds (Overlook Communities Inc.), Series A, 6.25% due 7/01/2025
	1,245	Massachusetts State Development Finance Agency, Revenue Refunding Bonds (Eastern Nazarene College): 5.625% due 4/01/2019
	1,220	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
		Massachusetts State Health and Educational Facilities Authority Refunding Bonds:
	2,100	(Bay Cove Human Services Issue), Series A, 5.90% due 4/01/2025
	1,000	(Milton Hospital), Series, 5.50% due 7/01/2016
	1,200	Massachusetts State Industrial Finance Agency Revenue Refunding Bonds (Resource Control Composting), AMT, 9.25% due 6/01/2025
Michigan - 0.6%	1,150	Macomb County, Michigan, Hospital Finance Authority, Hospital Bonds (Mount Clemens General Hospital), Series B, 5.875% due 10/01/2025
Minnesota - 0.7%	1,230	Saint Paul, Minnesota, Port Authority, Hotel Facility, Revenue Refunding Bonds (Radisson Kellogg Project), Series 2, 7.375% due 8/01/2025
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 (Bishop Spencer Place), Series A, 6.50% due 1/01/2035
Nevada - 0.2%	430	Clark County, Nevada, Improvement District Number 142 Special Bonds, 6.375% due 8/01/2023
New Jersey - 14.6%		Camden County, New Jersey, Improvement Authority, Lease Refunding Bonds (Holt Hauling & Warehousing), AMT, Series A (b) (c):
	2,000	9.625% due 1/01/2011
	4,500	9.875% due 1/01/2021

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State	Face Amount	Municipal Bonds
	\$ 6,000	Camden County, New Jersey, Pollution Control Financing Authority Solid Waste Resource Recovery, Revenue Refunding Bonds, AMT, 7.50% due 12/01/2010
	2,170	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/1/2025

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	1,500	New Jersey EDA, IDR, Refunding (Newark Airport Marriott Ho 7% due 10/01/2014
		New Jersey EDA, Retirement Community Revenue Bonds, Series
	1,000	(Cedar Crest Village Inc. Facility), 7.25% due 11/15/2
	3,700	(Seabrook Village Inc.), 8.125% due 11/15/2023
		New Jersey EDA, Special Facility Revenue Bonds
		(Continental Airlines Inc. Project), AMT:
	3,050	6.625% due 9/15/2012
	4,045	6.25% due 9/15/2029
	1,870	New Jersey Health Care Facilities Financing Authority Reve (Pascack Valley Hospital Association), 6.625% due 7/01/203
		Tobacco Settlement Financing Corporation of New Jersey, As
		Revenue Bonds:
	2,540	5.75% due 6/01/2032
	1,075	7% due 6/01/2041
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New Mexico - 2.7%	5,000	Farmington, New Mexico, PCR, Refunding (Tucson Electric Power Co.-San Juan Project), Series A, 6. due 10/01/2020
-----		
New York - 5.6%	1,000	Dutchess County, New York, IDA, Civic Facility Revenue Bon (Saint Francis Hospital), Series B, 7.50% due 3/01/2029
	350	New York City, New York, City IDA, Civic Facility Revenue Series C, 6.80% due 6/01/2028
	1,495	(Special Needs Facility Pooled Program), Series C-1, 6 due 7/01/2024
	1,730	New York City, New York, City IDA, Special Facility Revenu (British Airways Plc Project), AMT, 7.625% due 12/01/2032
	2,080	New York State Dormitory Authority, Non-State Supported De Bonds (Mount Sinai-NYU Medical Center Health System), 5.50
	1,865	New York State Dormitory Authority, Non-State Supported De Refunding Bonds (Mount Sinai Hospital), Series C, 5.50% du
	635	Utica, New York, GO, Public Improvement, 9.25% due 8/15/20
	1,180	Westchester County, New York, IDA, Continuing Care Retirem Revenue Bonds (Kendal on Hudson Project), Series A, 6.50%
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North Carolina - 0.6%	1,000	North Carolina Medical Care Commission, Retirement Facilit Mortgage Revenue Bonds (Givens Estates Project), Series A, due 7/01/2032
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Oregon - 0.7%	1,310	Western Generation Agency, Oregon, Cogeneration Project Re (Wauna Cogeneration Project), AMT, Series B, 7.40% due 1/0
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State	Face Amount	Municipal Bonds
-----		
Pennsylvania - 6.2%	\$ 1,750	Chester County, Pennsylvania, Health and Education Facilit Senior Living Revenue Refunding Bonds (Jenners Pond Inc. P due 7/01/2034 Montgomery County, Pennsylvania, Higher Education and Heal Revenue Bonds (Faulkeways at Gwynedd Project):

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	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
		Philadelphia, Pennsylvania, Authority for IDR:
	1,600	(Air Cargo), AMT, Series A, 7.50% due 1/01/2025
	4,460	Commercial Development, 7.75% due 12/01/2017
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Rhode Island - 0.9%	1,750	Central Falls, Rhode Island, Detention Facility Corporation Detention Facility, Revenue Refunding Bonds, 7.25% due 7/1
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Tennessee - 1.0%	1,800	Shelby County, Tennessee, Health, Educational and Housing Board Revenue Bonds (Germantown Village), Series A, 7.25%
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Texas - 8.3%	1,000	Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A, 6.70% due 1/01/2028
		Brazos River Authority, Texas, PCR, AMT, Refunding:
	2,530	(Texas Utility Company), Series A, 7.70% due 4/01/2033
	2,760	(Utilities Electric Company), Series B, 5.05% due 6/01
	1,220	Brazos River Authority, Texas, Revenue Refunding Bonds (Reliant Energy Inc. Project), Series B, 7.75% due 12/01/2
	1,660	Grand Prairie, Texas, Housing Finance Corporation Revenue (Independent Senior Living Center), 7.75% due 1/01/2034
	1,000	Houston, Texas, Health Facilities Development Corporation, Facility Revenue Bonds (Buckingham Senior Living Community 7.125% due 2/15/2034
	2,310	Matagorda County, Texas, Navigation District Number 1, Rev Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/2029
	1,330	Port Corpus Christi, Texas, Individual Development Corpora Environmental Facilities Revenue Bonds (Citgo Petroleum Co Project), AMT, 8.25% due 11/01/2031
	785	Travis County, Texas, Health Facilities Development Corpor Retirement Facilities Revenue Bonds (Querencia Barton Cree 5.65% due 11/15/2035
-----		
Utah - 1.2%	2,240	Carbon County, Utah, Solid Waste Disposal, Revenue Refundi (Laidlaw Environmental), AMT, Series A, 7.45% due 7/01/201
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Virginia - 5.3%	2,480	Dulles Town Center, Virginia, Community Development Author Assessment Tax (Dulles Town Center Project), 6.25% due 3/0
	22,600	Pocahontas Parkway Association, Virginia, Toll Road Revenue Series B, 5.888%** due 8/15/2025
	245	Virginia Beach, Virginia, Development Authority, Residenti Facilities, Mortgage Revenue Refunding Bonds (Westminster 5.375% due 11/01/2032
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West Virginia - 0.4%	875	Princeton, West Virginia, Hospital Revenue Refunding Bonds (Community Hospital Association Inc. Project), 6.20% due 5
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Wisconsin - 0.7%	\$ 1,320	Wisconsin State Health and Educational Facilities Authority (New Castle Place Project), Series A, 7% due 12/01/2031
Wyoming - 0.9%	1,800	Sweetwater County, Wyoming, Solid Waste Disposal Revenue Bonds (FMC Corporation Project), AMT, Series A, 7% due 6/01/2024
U.S. Virgin Islands - 1.2%	2,100	Virgin Islands Government Refinery Facilities, Revenue Refund Bonds (Hovensa Coker Project), AMT, 6.50% due 7/01/2021
		Total Municipal Bonds (Cost - \$180,209) - 96.2%

Shares Held	Short-Term Securities
3,500	Merrill Lynch Institutional Tax-Exempt Fund (d)
Total Short-Term Securities (Cost - \$3,500) - 1.8%	
Total Investments (Cost - \$183,709*) - 98.0%	
Other Assets Less Liabilities - 2.0%	
Net Assets - 100.0%	

\* The cost and unrealized appreciation (depreciation) of investments as of September 30, 2005, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 183,690
Gross unrealized appreciation	\$ 12,031
Gross unrealized depreciation	(7,464)
Net unrealized appreciation	\$ 4,567

\*\* Represents a zero coupon bond; the interest rate shown reflects the effective yield at the time of purchase.

- (a) Prerefunded.
- (b) Non-income producing security; issuer filed for bankruptcy or is in default of interest payments.
- (c) Restricted securities as to resale, representing 0.4% of net assets were as follows:

Issue	Acquisition Date(s)
Camden County, New Jersey, Improvement Authority, Lease Revenue Bonds	

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

Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2005

(in Thousands)

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

Affiliate	Net Activity	Interest Income
Merrill Lynch Institutional Tax-Exempt Fund	\$ (200)	\$ 23

- (e) Security may have a maturity of more than one year at time of issuance, but has variable rate and demand features that qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based upon prevailing market rates.

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 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: November 17, 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: November 17, 2005

By: /s/ Donald C. Burke

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

Date: November 17, 2005