

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):<br>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 |
| -----             |       |   |
| 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                         |
| -----              |             |  |
| Florida - 7.7%     | 855         | Arbor Greene Community Development District, Florida, Special A  |

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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          |
|                | 895   | 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:  |
|                | 1,500 | 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 |
|                | 1,185 | 7.125% due 1/01/2025  |
|                | 1,000 | 7.25% due 1/01/2035   |
|                | 830   | Milledgeville-Baldwin County, Georgia, Development Authority Re |
|                |       | (Georgia College and State University Foundation), 5.25% due 9/ |
|                |       | 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  |
|                 |             | Illinois Development Finance Authority Revenue Bonds (Primary H |
|                 |             | Centers Facilities Acquisition Program):                        |
|                 | 585         | 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

(in Thousands)

| 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                                   |
| -----             |       |   |
| 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   |

Apex Municipal Fund, Inc.

Schedule of Investments as of March 31, 2005

(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                         |
| -----                 |             |   |
| 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, 7.50% 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 12/01/2017                        |
| -----            |       |  |
| 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   |
| -----            |       |  |
| 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 3/01/2025   |
|                      | 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 |
| -----                |             |   |
| 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<br>(Hovensa Coker Project), AMT, 6.50% due 7/01/2021 |
| 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-<br>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.

-----  
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.

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

Date: May 23, 2005

By: /s/ Donald C. Burke

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

Date: May 23, 2005