

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

APEX MUNICIPAL FUND INC  
 Form N-Q  
 November 29, 2004

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: Terry K. Glenn, President, 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: 06/30/04

Date of reporting period: 07/01/04 - 09/30/04

Item 1 - Schedule of Investments

Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2004 (in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Alabama - 0.6%	B	NR*	\$ 1,000	Brewton, Alabama, IDB, PCR, Refunding (Container Co Jefferson Smurfit Corp. Project), 8% due 4/01/2009
Alaska - 1.1%	NR*	NR*	2,000	Alaska Industrial Development and Export Authority (Williams Lynxs Alaska Cargoport), AMT, 8% due 5/01/2009
Arizona - 3.5%				Maricopa County, Arizona, IDA, M/F Housing Revenue Apartments Project):
	NR*	Ba1	80	Series A, 5.875% due 11/01/2008
	NR*	Ba1	920	Series A, 6.75% due 5/01/2031
	NR*	NR*	1,500	Sub-Series C, 9.50% due 11/01/2031
	NR*	Caa2	4,000	Phoenix, Arizona, IDA, Airport Facility Revenue Ref (America West Airlines Inc. Project), AMT, 6.30% due 5/01/2031
	NR*	Baa3	1,000	Pima County, Arizona, IDA, Education Revenue Bonds Project), Series E, 7.25% due 7/01/2031
	NR*	Baa2	500	Yavapai County, Arizona, IDA, Hospital Facility Rev (Yavapai Regional Medical Center), Series A, 6% due 5/01/2031

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California - 4.3%	A	A3	1,800	California State, GO, 5% due 2/01/2033
				California State, Various Purpose, GO:
	A	A3	1,300	5.25% due 11/01/2025
	A	A3	820	5.25% due 4/01/2034
	NR*	NR*	1,000	Fontana, California, Special Tax, Refunding (Commun Number 22 - Sierra), 6% due 9/01/2034
				Golden State Tobacco Securitization Corporation of Settlement Revenue Bonds:
	BBB	Baa3	1,075	Series 2003-A-1, 6.75% due 6/01/2039
	A-	Baa1	1,860	Series B, 5.50% due 6/01/2043
-----				
Colorado - 5.6%	NR*	Baa2	3,000	Denver, Colorado, Urban Renewal Authority, Tax Incr (Pavilions), AMT, 7.75% due 9/01/2016
	NR*	NR*	2,800	Elk Valley, Colorado, Public Improvement Revenue Bo Fee), Series A, 7.30% due 9/01/2022
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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

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Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2004 (continued) (in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
-----				
Colorado (concluded)	NR*	NR*	\$ 1,235	North Range, Colorado, Metropolitan District Number due 12/15/2031
	NR*	NR*	2,000	Plaza Metropolitan District No. 1, Colorado, Tax AL (Public Improvement Fees), 8% due 12/01/2025
	NR*	NR*	830	Southlands, Colorado, Medical District, GO (Metropo 7.125% due 12/01/2034
-----				
Connecticut - 1.0%	BBB-	Baa3	490	Connecticut State Development Authority, Airport Fa (LearJet Inc. Project), AMT, 7.95% due 4/01/2026
	NR*	B1	1,220	New Haven, Connecticut, Facility Revenue Bonds (Hil Project), 9.25% due 5/01/2017
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Florida - 7.8%	NR*	NR*	865	Arbor Greene Community Development District, Florida Revenue Bonds, 7.60% due 5/01/2018
	NR*	NR*	800	Capital Projects Finance Authority, Florida, Contin Revenue Bonds (Glenridge on Palmer Ranch), Series A
	NR*	NR*	2,500	Hillsborough County, Florida, IDA, Exempt Facilities (National Gypsum), AMT, Series A, 7.125% due 4/01/2
	NR*	NR*	895	Lakewood Ranch, Florida, Community Development Dist Assessment Revenue Refunding Bonds, Series A, 6.70%
				Midtown Miami, Florida, Community Development Distr Revenue Bonds, Series A:
	NR*	NR*	1,500	6% due 5/01/2024
	NR*	NR*	1,350	6.25% due 5/01/2037
	NR*	NR*	1,605	Orlando, Florida, Urban Community Development Distr Special Assessment Bonds, Series A, 6.95% due 5/01/
	B-	B1	1,700	Santa Rosa Bay Bridge Authority, Florida, Revenue B due 7/01/2028
	NR*	NR*	2,760	Tampa Palms, Florida, Open Space and Transportation District Revenue Bonds, Capital Improvement (Richmo due 5/01/2018
-----				
Georgia - 3.5%	NR*	NR*	2,000	Atlanta, Georgia, Tax Allocation Revenue Bonds (Atl 7.90% due 12/01/2024 Brunswick & Glynn County, Geor Authority, First Mortgage Revenue Bonds (Coastal Co Corporation Project), Series A:
	NR*	NR*	830	7.125% due 1/01/2025
	NR*	NR*	1,185	7.25% due 1/01/2035
	BBB	NR*	1,500	Milledgeville-Baldwin County, Georgia, Development (Georgia College and State University Foundation),
	NR*	NR*	830	Savannah, Georgia, EDA, Revenue Bonds (Marshes of S Mortgage, Series A, 7.40% due 1/01/2034
-----				
Idaho - 0.8%	NR*	NR*	1,470	Idaho Health Facilities Authority Revenue Refunding Care Corporation), Series A, 7.75% due 11/15/2016
-----				
Illinois - 4.1%	CCC	Caa2	3,000	Chicago, Illinois, O'Hare International Airport, Sp Refunding Bonds (American Airlines Inc. Project), 8
	NR*	NR*	400	Chicago, Illinois, Special Assessment Bonds (Lake S due 12/01/2032

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Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2004 (continued) (in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Illinois (concluded)	NR*	NR*	\$ 3,190	Illinois Development Finance Authority Revenue Bond Centers Facilities Acquisition Program), 7.75% due
	A-1+	VMIG-1+	1,400	Illinois Health Facilities Authority, Revenue Refun of Chicago Hospitals), VRDN, 1.65% due 8/01/2026 (a)
-----				
Indiana - 0.4%	NR*	NR*	1,820	Indianapolis, Indiana, M/F Revenue Bonds (Lake Nora Series B, 7.50% due 10/01/2029 (c)
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Iowa - 2.6%	NR*	NR*	3,910	Iowa Finance Authority, Health Care Facilities, Rev (Care Initiatives Project), 9.25% due 7/01/2025
Louisiana - 3.1%	BB-	NR*	5,500	Port New Orleans, Louisiana, IDR, Refunding (Contin Project), 7.50% due 7/01/2013
Maine - 0.5%	BB	Ba2	840	Maine Finance Authority, Solid Waste Recycling Faci (Great Northern Paper Project-Bowater), AMT, 7.75%
Maryland - 0.8%	NR*	NR*	1,500	Maryland State Energy Financing Administration, Lim Bonds (Cogeneration-AES Warrior Run), AMT, 7.40% du
Massachusetts - 4.0%				Massachusetts State Development Finance Agency, Rev (Eastern Nazarine College):
	BB+	NR*	1,245	5.625% due 4/01/2019
	BB+	NR*	1,220	5.625% due 4/01/2029
	BBB-	NR*	850	Massachusetts State Health and Educational Faciliti Bonds (Jordan Hospital), Series E, 6.75% due 10/01/ Massachusetts State Health and Educational Faciliti Refunding Bonds:
	NR*	Ba2	2,115	(Bay Cove Human Services Issue), Series A, 5.9
	BBB	NR*	1,000	(Milton Hospital), Series, 5.50% due 7/01/2016
	NR*	NR*	1,300	Massachusetts State Industrial Finance Agency Reven (Resource Control Composting), AMT, 9.25% due 6/01/
Michigan - 1.1%	A	NR*	1,000	Flint, Michigan, Hospital Building Authority, Reven (Hurley Medical Center), Series A, 6% due 7/01/2020
	B	Ba3	1,000	Michigan State Hospital Finance Authority, Revenue Medical Center Obligation Group), Series A, 6.50% d
Minnesota - 0.7%	NR*	NR*	1,230	Saint Paul, Minnesota, Port Authority, Hotel Facili Bonds (Radisson Kellog Project), Series 2, 7.375% d
Missouri - 1.3%	NR*	NR*	1,200	Fenton, Missouri, Tax Increment Revenue Refunding a (Gravois Bluffs), 7% due 10/01/2021
	NR*	NR*	1,000	Kansas City, Missouri, IDA, First Mortgage Health F (Bishop Spencer Place), Series A, 6.50% due 1/01/20
Nevada - 0.2%	NR*	NR*	430	Clark County, Nevada, Improvement District No. 142 6.375% due 8/01/2023
New Jersey - 13.3%				Camden County, New Jersey, Improvement Authority, L (Holt Hauling & Warehousing), AMT, Series A (c):
	NR*	NR*	2,000	9.625% due 1/01/2011
	NR*	NR*	4,500	9.875% due 1/01/2021

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Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2004 (continued) (in Thousands)

State	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
New Jersey	CCC	B2	\$ 6,000	Camden County, New Jersey, Pollution Control Financ

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(concluded)				Waste Resource Recovery, Revenue Refunding Bonds, A due 12/01/2010
	NR*	Ba3	1,500	New Jersey EDA, IDR, Refunding (Newark Airport Marr due 10/01/2014
	NR*	NR*	1,000	New Jersey EDA, Retirement Community Revenue Bonds, (Cedar Crest Village Inc. Facility), 7.25% due
	NR*	NR*	3,700	(Seabrook Village Inc.), 8.125% due 11/15/2023
				New Jersey EDA, Special Facility Revenue Bonds (Con Project), AMT:
	B	Caa2	3,050	6.625% due 9/15/2012
	B	Caa2	5,135	6.25% due 9/15/2029
	B+	NR*	1,870	New Jersey Health Care Facilities Financing Authori (Pascack Valley Hospital Association), 6.625% due 7
	BBB	Baa3	3,025	Tobacco Settlement Financing Corporation of New Jer 6.75% due 6/01/2039
-----				
New Mexico - 2.9%	B+	Ba3	5,000	Farmington, New Mexico, PCR, Refunding (Tucson Elec Project), Series A, 6.95% due 10/01/2020
-----				
New York - 3.9%	NR*	NR*	1,000	Dutchess County, New York, IDA, Civic Facility Reve Hospital), Series B, 7.50% due 3/01/2029
	NR*	NR*	350	New York City, New York, City IDA, Civic Facility R Series C, 6.80% due 6/01/2028
	NR*	NR*	1,495	(Special Needs Facility Pooled Program), Serie due 7/01/2024
	BB-	Ba2	1,730	New York City, New York, City IDA, Special Facility (British Airways PLC Project), AMT, 7.625% due 12/0
	BBB	Baa3	700	Utica, New York, GO, Public Improvement: 9.25% due 8/15/2005
	BBB	Baa3	635	9.25% due 8/15/2006
	NR*	NR*	1,180	Westchester County, New York, IDA, Continuing Care Revenue Bonds (Kendal on Hudson Project), Series A,
-----				
North Carolina - 0.6%	NR*	NR*	1,000	North Carolina Medical Care Commission, Retirement Mortgage Revenue Bonds (Givens Estates Project), Se due 7/01/2032
-----				
Oklahoma - 0.2%	B-	Caa2	420	Tulsa, Oklahoma, Municipal Airport Trust, Revenue R Corporation), AMT, Series A, 5.80% due 6/01/2035
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Oregon - 0.7%	NR*	NR*	1,310	Western Generation Agency, Oregon, Cogeneration Pro (Wauna Cogeneration Project), AMT, Series B, 7.40%
-----				
Pennsylvania - 5.4%	NR*	NR*	1,750	Chester County, Pennsylvania, Health and Education Senior Living Revenue Refunding Bonds (Jenners Pond due 7/01/2034
	BBB	NR*	900	Montgomery County, Pennsylvania, Higher Education a Revenue Bonds (Faulkeways at Gwynedd Project): 6.75% due 11/15/2024
	BBB	NR*	925	6.75% due 11/15/2030

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State	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Pennsylvania (concluded)	NR*	Ba1	\$ 1,600	Philadelphia, Pennsylvania, Authority for IDR (Air 7.50% due 1/01/2025
	NR*	NR*	4,460	Philadelphia, Pennsylvania, Authority for IDR, Comm 7.75% due 12/01/2017
Tennessee - 1.0%	NR*	NR*	1,800	Shelby County, Tennessee, Health, Educational and H Revenue Bonds (Germantown Village), Series A, 7.25%
Texas - 10.8%	BBB-	Baa3	1,000	Austin, Texas, Convention Center Revenue Bonds (Con Inc.), First Tier, Series A, 6.70% due 1/01/2028
	BBB	Baa2	2,530	Brazos River Authority, Texas, PCR, Refunding, AMT: (Texas Utility Company), Series A, 7.70% due 4
	BBB	Baa2	2,760	(Utilitlies Electric Company), Series B, 5.05%
	BBB-	NR*	1,220	Brazos River Authority, Texas, Revenue Refunding Bo Project), Series B, 7.75% due 12/01/2018
	BBB-	Baa3	475	Dallas-Fort Worth, Texas, International Airport Fac Corporation Revenue Bonds (Learjet Inc.), AMT, Seri due 1/01/2016
	NR*	NR*	1,660	Grand Prairie, Texas, Housing Finance Corporation R (Independent Senior Living Center), 7.75% due 1/01/
	NR*	NR*	1,000	Houston, Texas, Health Facilities Development Corpo Facility Revenue Bonds (Buckingham Senior Living Co 7.125% due 2/15/2034
	A-	A3	1,440	Lower Colorado River Authority, Texas, PCR (Samsung AMT, 6.375% due 4/01/2027
	BBB	NR*	945	Lufkin, Texas, Health Facilities Development Corpor Revenue Bonds (Memorial Health System of East Texas
	BBB-	Ba2	2,310	Matagorda County, Texas, Navigation District Number Bonds (Reliant Energy Inc.), Series C, 8% due 5/01/
	BB	Ba2	1,330	Port Corpus Christi, Texas, Individual Development Environmental Facilities Revenue Bonds (Citgo Petro Project), AMT, 8.25% due 11/01/2031
	B-	Ba3	2,000	Port Corpus Christi, Texas, Revenue Refunding Bonds AMT, Series B, 6.70% due 11/01/2030
Utah - 1.3%	NR*	NR*	2,240	Carbon County, Utah, Solid Waste Disposal, Revenue Environmental), AMT, Series A, 7.45% due 7/01/2017
Virginia - 5.6%	NR*	NR*	2,490	Dulles Town Center, Virginia, Community Development Assessment Tax (Dulles Town Center Project), 6.25%
	BB	Ba2	32,600	Pocahontas Parkway Association, Virginia, Toll Road Series B, 5.875%*** due 8/15/2025
West Virginia - 0.4%	B-	B2	875	Princeton, West Virginia, Hospital Revenue Refundin Hospital Association Inc. Project), 6.20% due 5/01/
Wisconsin - 0.7%	NR*	NR*	1,320	Wisconsin State Health and Educational Facilities A (New Castle Place Project), Series A, 7% due 12/01/
Wyoming - 1.0%	BB+	Ba3	1,800	Sweetwater County, Wyoming, Solid Waste Disposal Re Corporation Project), AMT, Series A, 7% due 6/01/20

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Apex Municipal Fund, Inc.

Schedule of Investments as of September 30, 2004 (concluded) (in Thousands)

	S&P Ratings	Moody's Ratings	Face Amount	Municipal Bonds
Virgin Islands - 1.2%	BBB-	Baa3	\$ 2,100	Virgin Islands Government Refinery Facilities Revenue (Hovensa Coker Project), AMT, 6.50% due 7/01/2021
				Total Municipal Bonds (Cost - \$179,958) - 96.0%
				Total Investments (Cost - \$179,958**) - 96.0%
				Other Assets Less Liabilities - 4.0%
				Net Assets - 100.0%

- (a) MBIA Insured.
- (b) The interest rate is subject to change periodically based upon prevailing market rates. The interest rate shown is the rate in effect at September 30, 2004.
- (c) Non-income producing security: issuer filed bankruptcy or is in default of interest payments.

\* Not Rated.

\*\* The cost and unrealized appreciation/depreciation of investments as of September 30, 2004 as computed for federal income tax purposes were as follows:

	(in Thousands)
Aggregate cost	\$ 179,977
Gross unrealized appreciation	\$ 8,188
Gross unrealized depreciation	(11,539)
Net unrealized depreciation	\$ (3,351)

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

+ Highest short-term rating by Moody's Investors Service, Inc.

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.

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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/ Terry K. Glenn

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Terry K. Glenn,  
President  
Apex Municipal Fund, Inc.

Date: November 19, 2004

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/ Terry K. Glenn

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Terry K. Glenn  
President  
Apex Municipal Fund, Inc.

Date: November 19, 2004

By: /s/ Donald C. Burke

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

Date: November 19, 2004