

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

MUNIVEST FUND INC  
Form N-CSR  
November 01, 2005

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT  
INVESTMENT COMPANIES

Investment Company Act file number 811-05611

Name of Fund: MuniVest 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, MuniVest 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: 08/31/05

Date of reporting period: 09/01/04 - 08/31/05

Item 1 - Report to Stockholders

MuniVest Fund, Inc.

Annual Report  
August 31, 2005

MuniVest Fund, Inc.

The Benefits and Risks of Leveraging

MuniVest Fund, Inc. utilizes leveraging to seek to enhance the yield and net asset value of its Common Stock. However, these objectives cannot be achieved in all interest rate environments. To leverage, the Fund issues Preferred Stock, which pays dividends at prevailing short-term interest rates, and invests the proceeds in long-term municipal bonds. The interest earned on these investments, net of dividends to Preferred Stock, is paid to Common Stock shareholders in the form of dividends, and the value of these portfolio holdings is reflected in the per share net asset value of the Fund's Common Stock. However, in order to benefit Common Stock shareholders, the yield curve must be positively sloped; that is, short-term interest rates must be lower than long-term interest rates. At the same time, a period of generally declining interest rates will benefit Common Stock shareholders. If either of these conditions change, then the risks of leveraging will begin to outweigh the benefits.

To illustrate these concepts, assume a fund's Common Stock capitalization of \$100 million and the issuance of Preferred Stock for an additional \$50 million, creating a total value of \$150 million available for investment in long-term

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

municipal bonds. If prevailing short-term interest rates are approximately 3% and long-term interest rates are approximately 6%, the yield curve has a strongly positive slope. The fund pays dividends on the \$50 million of Preferred Stock based on the lower short-term interest rates. At the same time, the fund's total portfolio of \$150 million earns the income based on long-term interest rates. Of course, increases in short-term interest rates would reduce (and even eliminate) the dividends on the Common Stock.

In this case, the dividends paid to Preferred Stock shareholders are significantly lower than the income earned on the fund's long-term investments, and therefore the Common Stock shareholders are the beneficiaries of the incremental yield. However, if short-term interest rates rise, narrowing the differential between short-term and long-term interest rates, the incremental yield pickup on the Common Stock will be reduced or eliminated completely. At the same time, the market value of the fund's Common Stock (that is, its price as listed on the American Stock Exchange) may, as a result, decline. Furthermore, if long-term interest rates rise, the Common Stock's net asset value will reflect the full decline in the price of the portfolio's investments, since the value of the fund's Preferred Stock does not fluctuate. In addition to the decline in net asset value, the market value of the fund's Common Stock may also decline.

As a part of its investment strategy, the Fund may invest in certain securities whose potential income return is inversely related to changes in a floating interest rate ("inverse floaters"). In general, income on inverse floaters will decrease when short-term interest rates increase and increase when short-term interest rates decrease. Investments in inverse floaters may be characterized as derivative securities and may subject the Fund to the risks of reduced or eliminated interest payments and losses of invested principal. In addition, inverse floaters have the effect of providing investment leverage and, as a result, the market value of such securities will generally be more volatile than that of fixed-rate, tax-exempt securities. To the extent the Fund invests in inverse floaters, the market value of the Fund's portfolio and the net asset value of the Fund's shares may also be more volatile than if the Fund did not invest in these securities. As of August 31, 2005, the percentage of the Fund's total net assets invested in inverse floaters was 12.48%, before the deduction of Preferred Stock.

### Swap Agreements

The Fund may invest in swap agreements, which are over-the-counter contracts in which one party agrees to make periodic payments based on the change in market value of a specified bond, basket of bonds, or index in return for periodic payments based on a fixed or variable interest rate or the change in market value of a different bond, basket of bonds or index. Swap agreements may be used to obtain or reduce exposure to a bond or market without owning or taking physical custody of securities. Swap agreements involve the risk that the party with whom the Fund has entered into the swap will default on its obligation to pay the Fund and the risk that the Fund will not be able to meet its obligations to pay the other party to the agreement.

2

MUNIVEST FUND, INC.

AUGUST 31, 2005

A Letter From the President

Dear Shareholder

Amid what we've coined a "muddle through" year for the financial markets, the major market benchmarks managed to post positive results for the current reporting period:

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Total Returns as of August 31, 2005	6-month	12-month
U.S. equities (Standard & Poor's 500 Index)	+2.33%	+12.56%
Small-cap U.S. equities (Russell 2000 Index)	+5.75%	+23.10%
International equities (MSCI Europe Australasia Far East Index)	+1.98%	+23.58%
Fixed income (Lehman Brothers Aggregate Bond Index)	+2.85%	+ 4.15%
Tax-exempt fixed income (Lehman Brothers Municipal Bond Index)	+2.85%	+ 5.31%
High yield bonds (Credit Suisse First Boston High Yield Index)	+1.35%	+ 8.98%

Since June 2004, the Federal Reserve Board (the Fed) has tirelessly advanced its interest rate-hiking program, bringing the federal funds rate to 3.5% by August 31 (and to 3.75% on September 20). Economists and investors have struggled to project the Fed's future moves, vacillating from expectations for an impending end to monetary tightening to fears that the central bank may increase interest rates more than is necessary to moderate economic growth and keep inflation in check. Most recently, the devastation of Hurricane Katrina added a new element of ambiguity in terms of its impact on the economy and Fed sentiment. Many now believe the Fed will suspend its interest rate-hiking campaign at some point this year.

Equity market returns over the past several months have reflected a degree of investor uncertainty. After a strong finish to 2004, the S&P 500 Index posted gains in four of the first eight months of 2005. Up to this point, strong corporate earnings reports and low long-term bond yields have worked in favor of equities. Factors that pose the greatest risks to stocks include record-high oil prices, continued interest rate hikes and the possibility for disappointing earnings for the remainder of the year.

Fixed income markets have fared relatively well in the face of monetary tightening. As the short end of the yield curve moved in concert with Fed interest rate hikes, long-term bond yields remained low, perpetuating the yield curve flattening trend. Because bond prices move in the opposite direction of yields, the result has been that longer-term bonds have outperformed short-term bonds. At period end, the spread between two-year and 10-year Treasury yields was just 18 basis points (.18%).

Financial markets are likely to face continued crosscurrents for the remainder of 2005, particularly as the economy digests the impact of Hurricane Katrina. Nevertheless, opportunities do exist and we encourage you to work with your financial advisor to diversify your portfolio among a variety of asset types. This can help to diffuse risk while also tapping into the potential benefits of a broader range of investment alternatives. As always, we thank you for trusting Merrill Lynch Investment Managers with your investment assets.

Sincerely,

/s/ Robert C. Doll, Jr.

Robert C. Doll, Jr.  
President and Director

## A Discussion With Your Fund's Portfolio Manager

Fund performance exceeded its comparable Lipper category average for the period, benefiting from an above-average dividend yield and positive security selection.

Describe the recent market environment relative to municipal bonds.

Over the past year, long-term bond yields generally declined as their prices, which move in the opposite direction, increased. Most recently, the devastation of Hurricane Katrina throughout the U.S. Gulf Coast prompted a strong rally in bond prices. The resultant higher energy prices and expected declines in consumer confidence and spending pushed longer-term interest rates lower as the period came to a close.

The Federal Reserve Board (the Fed) continued to raise short-term interest rates at each of its meetings during the period, lifting the federal funds target to 3.50% by period-end (and to 3.75% on September 20). As short-term interest rates moved higher in concert with the Fed interest rate hikes and longer-term bond yields declined, the yield curve continued to flatten. During the past 12 months, 30-year U.S. Treasury bond yields declined 68 basis points (.68%) to 4.25% and 10-year Treasury note yields fell 11 basis points to 4.02%. By comparison, the two-year Treasury yield rose 143 basis points to 3.84%.

Tax-exempt bond yields exhibited a similar pattern during the year. The yield on 30-year revenue bonds, as measured by the Bond Buyer Revenue Bond Index, fell 26 basis points to 4.83%. According to Municipal Market Data, the yield on AAA-rated issues maturing in 30 years declined 48 basis points to 4.22% while the yield on AAA-rated bonds maturing in 10 years remained unchanged at 3.50%.

Declining tax-exempt bond yields continued to encourage municipalities to issue new debt and refund outstanding, higher-coupled issues. Over the past year, more than \$384 billion in new long-term tax-exempt bonds was issued, an increase of greater than 7.5% versus last year's total of \$357 billion. In the past six months, more than \$217 billion in new municipal bonds was underwritten, an increase of 16.3% versus the same period in 2004. During the first six months of 2005, the volume of refunding issues increased more than 50% compared to underwritings during the first half of 2004. In August 2005, refunding issuance increased 18% compared to August 2004 levels. The refunding issues have been heavily weighted in the 10-year - 20-year maturity range, putting pressure on intermediate tax-exempt bond yields while supporting longer-term bond prices.

Investor demand for municipal product has remained generally positive. The most current statistics from the Investment Company Institute indicate that, year-to-date through July 31, 2005, net new cash flows into long-term municipal bond funds have exceeded \$4.2 billion -- a significant improvement from the \$12.4 billion net outflow seen during the same period in 2004. Weekly figures for August, as reported by AMG Data Service, pointed to continued positive flows.

Notably, throughout much of the past six months, high yield tax-exempt bond funds have been the principal target for the new cash inflows. During August, these lower-rated/non-rated bond funds received an average of \$150 million per week. The need to invest these cash flows has led to strong demand for lower-rated issues and a consequent narrowing of credit spreads. Additionally, an increasing percentage of insured issuance has further reduced the availability of lower-rated municipal securities, lending more support to higher

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

prices for these issues.

Municipal bond issues have underperformed their taxable counterparts in recent months as U.S. Treasury bonds have enjoyed increased demand from foreign governments, which are unable to benefit from the tax advantage inherent in tax-exempt products. This underperformance, however, has resulted in attractive tax-exempt bond yield ratios and, we believe, should continue to attract both traditional and nontraditional investors to the municipal marketplace.

The communities shattered by Hurricane Katrina will require extensive reconstruction. It is too early to estimate the amount of tax-exempt debt that may be required to finance these efforts or to assess the overall impact on the municipal market. However, much of the rebuilding is likely to be funded through federal loans and grants, and the reconstruction will probably be spread over a number of years. Consequently, any municipal bond issuance prompted by Katrina is not likely to disrupt the tax-exempt market in the near future.

How did the Fund perform during the fiscal year in light of the existing market conditions?

For the 12-month period ended August 31, 2005, the Common Stock of MuniVest Fund, Inc. had net annualized yields of 6.57% and 6.62%, based on a year-end per share net asset value of \$10.23 and a per share market price of \$10.15, respectively, and \$.672 per share income dividends.

4

MUNIVEST FUND, INC. AUGUST 31, 2005

Over the same period, the total investment return on the Fund's Common Stock was +10.64%, based on a change in per share net asset value from \$9.91 to \$10.23, and assuming reinvestment of all distributions.

The Fund's total return, based on net asset value, exceeded the +9.74% average return of the Lipper General Municipal Debt Funds (Leveraged) category for the 12-month period. (Funds in this Lipper category invest primarily in municipal debt issues rated in the top four credit-rating categories. These funds can be leveraged via use of debt, preferred equity and/or reverse repurchase agreements.) The Fund outperformed despite its generally defensive market posture in an environment where long-term interest rates declined. Benefiting performance was the Fund's above-average dividend yield, continued strong price performance from its lower-rated holdings, and positive security selection. Recently, performance also has been aided by the refunding of a large portion of the Fund's tobacco-related holdings and significant price improvement in its California bonds.

For the six-month period ended August 31, 2005, the total investment return on the Fund's Common Stock was +4.91%, based on a change in per share net asset value from \$10.09 to \$10.23, and assuming reinvestment of all distributions.

For a description of the Fund's total investment return based on a change in the per share market value of the Fund's Common Stock (as measured by the trading price of the Fund's shares on the American Stock Exchange), and assuming reinvestment of dividends, please refer to the Financial Highlights section of this report. As a closed-end fund, the Fund's shares may trade in the secondary market at a premium or discount to the Fund's net asset value. As a result, total investment returns based on changes in the market value of the Fund's Common Stock can vary significantly from total investment returns based on changes in the Fund's net asset value.

What changes were made to the portfolio during the period?

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

The demand for securities rated BBB and below has remained quite strong, resulting in ongoing price appreciation for these issues. We expect the demand for higher-yielding bonds to remain positive in the near term. However, given the magnitude of the recent price appreciation, we intend to closely monitor these lower-rated holdings and will look to increase the Fund's overall credit quality profile should attractively priced, higher-rated securities become available.

As the fiscal period progressed, we increased the portfolio's exposure to more interest rate-sensitive issues and moved the Fund to a more neutral market position. We made this shift as the Fed appears to be nearing the end of its monetary tightening campaign, and it does not seem likely that long-term interest rates will rise significantly.

For the six-month period ended August 31, 2005, the Fund's Auction Market Preferred Stock (AMPS) had average yields as follows: Series A, 2.42%; Series B, 2.06%; Series C, 2.17%; Series D, 2.46%; Series E, 2.18%; and Series F, 2.28%. Continued short-term interest rate increases by the Fed have boosted the Fund's borrowing costs throughout the 12-month period. Although we believe the majority of the Fed's actions have already occurred, additional interest rate hikes are expected until at least year-end. Nevertheless, the Fund's borrowing costs have remained historically very low, and the leveraging of Preferred Stock has continued to generate an income benefit to the holders of Common Stock. However, should the spread between short-term and long-term interest rates narrow, the benefits of leverage will decline and, as a result, reduce the yield on the Fund's Common Stock. At the end of the period, the Fund's leverage amount, due to AMPS, was 34.73% of total net assets. (For a more complete explanation of the benefits and risks of leveraging, see page 2 of this report to shareholders.)

How would you characterize the Fund's position at the close of the period?

We ended the period with a more neutral posture in terms of interest rate risk. The Fed is believed to be nearing the end of its current monetary tightening cycle, and inflationary pressures remain well contained. In the aftermath of Hurricane Katrina, U.S. economic growth will likely slow in the near term, thereby supporting higher long-term bond prices in the months ahead. Amid these conditions, we have positioned the Fund to perform well in stable to declining interest rate environments. In addition, we intend to maintain the Fund's fully invested stance in an effort to enhance shareholder income.

Fred K. Stuebe  
Vice President and Portfolio Manager

September 20, 2005

MUNIVEST FUND, INC.      AUGUST 31, 2005

5

Special Message to Shareholders

A Municipal Bonds Update in the Aftermath of Hurricane Katrina

Hurricane Katrina caused tremendous human suffering, and the total damage estimates are currently ranging as high as \$200 billion, making it the worst natural disaster to hit the United States. Despite the widespread devastation from the storm, we believe that there should be no long-term negative effect on the credit ratings of state and local governments in Louisiana, Mississippi and Alabama. It is our view that the affected states should recover with no major long-term financial or economic damage. These states possess broad-based economies outside of the areas suffering hurricane destruction, and, as sovereign entities, maintain the exclusive right to collect a broad array of tax

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

revenues.

Given the extent of the damage from the hurricane, the local entities most heavily affected, including New Orleans, Biloxi and Mobile, could possibly face credit rating downgrades in the near term due to constrained financial operations resulting from reduced economic activity and short-term cash flow disruptions. However, we do not view any credit deterioration as a long-term trend and believe these areas also will recover. Like states, these municipalities retain strong revenue-raising abilities, particularly property and sales taxes, and also can reduce expenses.

The region's recovery likely will be aided by an injection of revenues in the form of federal emergency aid, private insurance and charitable contributions. However, given the severity of the damage from Hurricane Katrina, it is difficult to predict the length of recovery and the amount and timing of additional federal aid or claims paid by private municipal bond insurers. Many public entities have issued insured debt, for which private insurers guarantee timely payment of principal and interest. This especially benefits holders of bonds secured by more economically sensitive revenues, such as hotel and sales taxes, which are expected to slow significantly in the short term. We do not foresee any widespread or prolonged debt service defaults. The few defaults that may occur should be temporary in nature, and we believe there will be a complete recovery over a short period of time.

John M. Loffredo  
 Managing Director and Co-Chief Investment Officer  
 Municipal Products Group of Merrill Lynch Investment Managers

September 20, 2005

Portfolio Information as of August 31, 2005

Quality Ratings by S&P/Moody's	Percent of Total Investments
AAA/Aaa .....	33.3%
AA/Aa .....	15.0
A/A .....	22.4
BBB/Baa .....	25.3
BB/Ba .....	2.4
B/B .....	0.9
NR (Not Rated) .....	0.6
Other* .....	0.1

\* Includes portfolio holdings in variable rate demand notes.

6 MUNIVEST FUND, INC. AUGUST 31, 2005

Schedule of Investments (in Thousands)

Face Amount	Municipal Bonds
Alabama--2.8%	
\$ 2,550	Camden, Alabama, IDB, Exempt Facilities Revenue Bonds (Weyerhaeuser Company), Series A,

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

\$

		6.125% due 12/01/2024	
		Huntsville, Alabama, Health Care Authority	
		Revenue Bonds:	
3,500		Series A, 5.75% due 6/01/2031	
5,000		Series B, 5.75% due 6/01/2032	
5,000		Selma, Alabama, IDB, Environmental Improvement	
		Revenue Refunding Bonds (International Paper	
		Company Project), Series B, 5.50% due 5/01/2020	
=====			
Alaska--1.3%			
	7,405	Anchorage, Alaska, Lease Revenue Bonds (Correctional	
		Facility), 6% due 2/01/2010 (a) (i)	
	200	Valdez, Alaska, Marine Terminal Revenue Refunding	
		Bonds (BP Pipelines Inc. Project), VRDN, Series B,	
		2.35% due 7/01/2037 (1)	
=====			
Arizona--1.6%			
	4,375	Maricopa County, Arizona, IDA, Education Revenue	
		Bonds (Arizona Charter Schools Project 1), Series A,	
		6.75% due 7/01/2029	
		Pima County, Arizona, IDA, Education Revenue Bonds	
		(Arizona Charter Schools Project):	
	2,100	Series E, 7.25% due 7/01/2031	
	500	Series I, 6.10% due 7/01/2024	
	1,000	Series I, 6.30% due 7/01/2031	
	1,610	Pima County, Arizona, IDA, Education Revenue Refunding	
		Bonds (Arizona Charter Schools Project II), Series A,	
		6.75% due 7/01/2021	
=====			
California--21.6%			
		California State Public Works Board, Lease Revenue Bonds:	
	5,000	(Department of Corrections), Series C, 5.50%	
		due 6/01/2022	
	6,000	(Department of Corrections), Series C, 5.50%	
		due 6/01/2023	
	10,775	(Department of Mental Health--Coalinga	
		State Hospital), Series A, 5.125% due 6/01/2029	
		California State, Various Purpose, GO:	
	13,570	5.50% due 4/01/2030	
	16,250	5.50% due 11/01/2033	
	5,240	California Statewide Communities Development	
		Authority, Health Facility Revenue Bonds (Memorial	
		Health Services), Series A, 6% due 10/01/2023	
		Golden State Tobacco Securitization Corporation of	
		California, Tobacco Settlement Revenue Bonds:	
	10,725	Series A-3, 7.875% due 6/01/2042	
	3,750	Series A-4, 7.80% due 6/01/2042	
	1,425	Series A-5, 7.875% due 6/01/2042	
	13,900	Series B, 5.375% due 6/01/2010 (a)	
	8,850	Series B, 5.50% due 6/01/2013 (a)	
	20,000	Series B, 5.50% due 6/01/2013 (a) (f)	
	4,000	Golden State Tobacco Securitization Corporation of	
		California, Tobacco Settlement Revenue Refunding	
		Bonds, Series A, 5% due 6/01/2035 (f)	
=====			
Colorado--2.5%			
	9,915	Arapahoe County, Colorado, School District Number 005,	
		GO (Cherry Creek) 6% due 12/15/2009 (a)	
		Colorado HFA, Revenue Refunding Bonds (S/F Program),	
		AMT, Senior Series A-2:	
	1,040	6.60% due 5/01/2028	
	310	7.50% due 4/01/2031	



Edgar Filing: MUNIVEST FUND INC - Form N-CSR

	3,000	Colorado Health Facilities Authority Revenue Bonds (Lutheran Medical Center), Series A, 5.25% due 6/01/2034
=====		
Connecticut--0.5%		
	2,810	Mohegan Tribe Indians Gaming Authority, Connecticut, Public Improvement Revenue Refunding Bonds (Priority Distribution), 6.25% due 1/01/2031
=====		
Florida--2.8%		
	6,000	Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series D, 5.375% due 11/15/2035
	10,320	Orange County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), 5.625% due 11/15/2032
=====		
Georgia--2.9%		
		Georgia Municipal Electric Authority, Power Revenue Refunding Bonds:
	4,600	Series W, 6.60% due 1/01/2018
	250	Series W, 6.60% due 1/01/2018 (e)
	250	Series Y, 10% due 1/01/2010 (e)
		Milledgeville-Baldwin County, Georgia, Development Authority Revenue Bonds (Georgia College and State University Foundation):
	4,390	5.50% due 9/01/2024
	2,000	5.625% due 9/01/2030
	4,785	Monroe County, Georgia, Development Authority, PCR, Refunding (Oglethorpe Power Corporation--Scherer), Series A, 6.80% due 1/01/2011
=====		

Portfolio Abbreviations

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

AMT	Alternative Minimum Tax (subject to)
DRIVERS	Derivative Inverse Tax-Exempt Receipts
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDB	Industrial Development Board
IDR	Industrial Development Revenue Bonds
M/F	Multi-Family
PCR	Pollution Control Revenue Bonds
RIB	Residual Interest Bonds
S/F	Single-Family
VRDN	Variable Rate Demand Notes

MUNIVEST FUND, INC.

AUGUST 31, 2005

7

Schedule of Investments (continued)

(in Thousands)

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Face Amount	Municipal Bonds	
Idaho--0.1%		
\$ 815	Idaho Housing Agency, S/F Mortgage Revenue Refunding Bonds, AMT, Series E-2, 6.90% due 1/01/2027	\$
Illinois--17.3%		
5,000	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Refunding Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2019 (c)	
11,200	Chicago, Illinois, O'Hare International Airport Revenue Bonds, AMT:	
8,540	3rd Lien, Series B-2, 6% due 1/01/2029 (n)	
7,000	Series 368, DRIVERS, 9.168% due 7/01/2011 (c) (m)	
	Chicago, Illinois, O'Hare International Airport, Revenue Refunding Bonds, DRIVERS, AMT, Series 253, 8.668% due 1/01/2020 (c) (m)	
120	Chicago, Illinois, S/F Mortgage Revenue Bonds, AMT, Series C, 7% due 3/01/2032 (d) (k)	
10,000	Hodgkins, Illinois, Environmental Improvement Revenue Bonds (Metro Biosolids Management LLC Project), AMT, 6% due 11/01/2023	
2,140	Illinois Development Finance Authority Revenue Bonds (Community Rehabilitation Providers Facilities), Series A, 6.50% due 7/01/2022	
1,365	Illinois Development Finance Authority, Revenue Refunding Bonds (Community Rehabilitation Providers Facilities), Series A, 6% due 7/01/2015	
1,685	Illinois HDA, Revenue Refunding Bonds (M/F Program), Series 5, 6.75% due 9/01/2023	
600	Illinois State Finance Authority Revenue Bonds (Northwestern University), VRDN, Sub-Series A, 2.48% due 12/01/2034 (l)	
5,245	Kane and De Kalb Counties, Illinois, Community Unit School District Number 302, GO, DRIVERS, Series 283, 8.699% due 2/01/2018 (f) (m)	
	McLean and Woodford Counties, Illinois, Community Unit, School District Number 005, GO, Refunding (i):	
5,000	6.25% due 12/01/2014	
4,000	6.375% due 12/01/2016	
18,550	Metropolitan Pier and Exposition Authority, Illinois, Dedicated State Tax Revenue Refunding Bonds (McCormick Place Expansion Project), Series B, 5.75% due 6/15/2023 (c)	
	Regional Transportation Authority, Illinois, Revenue Bonds:	
3,500	Series A, 7.20% due 11/01/2020 (h)	
4,000	Series C, 7.75% due 6/01/2020 (f)	
3,000	Will County, Illinois, Environmental Revenue Bonds (Mobil Oil Refining Corporation Project), AMT, 6.40% due 4/01/2026	
	Will County, Illinois, School District Number 122 (New Lenox Elementary), GO Series A (i):	
1,475	6.50% due 11/01/2010 (a)	
505	6.50% due 11/01/2013	
395	6.50% due 11/01/2015	
Indiana--6.5%		
1,700	Fort Wayne, Indiana, PCR, Refunding (General Motors	

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

		Corporation Project), 6.20% due 10/15/2025
6,500		Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds (Clarian Health Partners Inc.), Series A, 6% due 2/15/2021
4,290		Indiana State HFA, S/F Mortgage Revenue Refunding Bonds, Series A, 6.80% due 1/01/2017 (j)
8,195		Indiana Transportation Finance Authority, Highway Revenue Bonds, Series A, 6.80% due 12/01/2016
15,335		Indianapolis, Indiana, Local Public Improvement Bond, Bank Revenue Refunding Bonds, Series D, 6.75% due 2/01/2014
=====		
Kansas--0.6%		
3,805		Sedgwick and Shawnee Counties, Kansas, S/F Mortgage Revenue Bonds (Mortgage-Backed Securities Program), AMT, Series A-4, 5.95% due 12/01/2033 (d)
=====		
Louisiana--1.8%		
10,575		Louisiana Local Government, Environmental Facilities, Community Development Authority Revenue Bonds (Capital Projects and Equipment Acquisition), Series A, 6.30% due 7/01/2030 (h)
=====		
Maine--0.3%		
		Portland, Maine, Housing Development Corporation, Senior Living Revenue Bonds (Avesta Housing Development Corporation Project), Series A:
	775	5.70% due 8/01/2021
	1,190	6% due 2/01/2034
=====		
Maryland--0.2%		
1,425		Maryland State Health and Higher Educational Facilities Authority, Revenue Bonds (Union Hospital of Cecil County), 5% due 7/01/2035
=====		
Massachusetts--9.9%		
2,035		Boston, Massachusetts, Water and Sewer Commission Revenue Bonds, 9.25% due 1/01/2011 (e)
3,010		Massachusetts Bay Transportation Authority, Revenue Refunding Bonds (General Transportation System), Series A, 7% due 3/01/2019
3,380		Massachusetts State Health and Educational Facilities Authority, Revenue Bonds (University of Massachusetts Memorial Healthcare), Series D, 5% due 7/01/2033
10,000		Massachusetts State School Building Authority, Dedicated Sales Tax Revenue Bonds, DRIVERS, Series 1052, 7.21% due 8/15/2013 (i) (m)
30,000		Massachusetts State Water Resource Authority Revenue Bonds, Series A, 6.50% due 7/15/2019
3,480		Massachusetts State Water Resource Authority, Revenue Refunding Bonds, Series A, 6% due 8/01/2010 (a) (f)
=====		
Michigan--3.4%		
7,695		Delta County, Michigan, Economic Development Corporation, Environmental Improvement Revenue Refunding Bonds (Mead Westvaco-Escanaba), Series A, 6.25% due 4/15/2012 (a)
		Macomb County, Michigan, Hospital Finance

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

	Authority, Hospital Revenue Bonds (Mount Clemens General Hospital) Series B:
3,715	5.75% due 11/15/2025
5,250	5.875% due 11/15/2034
1,900	Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds (Crittenton Hospital), Series A, 5.625% due 3/01/2027
	Michigan State Hospital Finance Authority, Revenue Refunding Bonds:
390	(Ascension Health Credit), Series A, 6.125% due 11/15/2009 (a)
1,000	(Sinai Hospital), 6.70% due 1/01/2026

8 MUNIVEST FUND, INC. AUGUST 31, 2005

Schedule of Investments (continued) (in Thousands)

Face Amount	Municipal Bonds
=====	
Minnesota--1.5%	
\$ 7,235	Minneapolis, Minnesota, Health Care System Revenue Bonds (Allina Health System), Series A, 5.75% due 11/15/2032
1,405	Saint Cloud, Minnesota, Health Care Revenue Refunding Bonds (Saint Cloud Hospital Obligation Group), Series A, 6.25% due 5/01/2017 (i)
=====	
Mississippi--4.9%	
3,710	Lowndes County, Mississippi, Solid Waste Disposal and PCR, Refunding (Weyerhaeuser Company Project): Series A, 6.80% due 4/01/2022
4,000	Series B, 6.70% due 4/01/2022
20,705	Mississippi Business Finance Corporation, Mississippi, PCR, Refunding (System Energy Resources Inc. Project), 5.875% due 4/01/2022
=====	
Missouri--0.5%	
2,600	Missouri State Development Finance Board, Infrastructure Facilities Revenue Refunding Bonds (Branson), Series A, 5.50% due 12/01/2032
290	Missouri State Housing Development Commission, S/F Mortgage Revenue Bonds (Homeowner Loan), AMT, Series A, 7.50% due 3/01/2031 (d)
=====	
Montana--1.0%	
6,000	Forsyth, Montana, PCR, Refunding (Portland General Electric Company), Series A, 5.20% due 5/01/2033
=====	
Nebraska--0.1%	
655	Nebraska Investment Finance Authority, S/F Housing Revenue Bonds, AMT, Series C, 6.30% due 9/01/2028 (d) (k)
=====	
Nevada--1.9%	
6,700	Clark County, Nevada, IDR (Power Company Project),

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

	AMT, Series A, 6.70% due 6/01/2022 (f)
	Nevada Housing Division, Multi-Unit Housing
	Revenue Bonds:
3,475	(Arville Electric Project), AMT,
	6.60% due 10/01/2023 (b)
1,235	Issue B, 7.45% due 10/01/2017 (b)
	Nevada Housing Division Revenue Bonds (S/F Program)
	AMT (j):
225	Senior Series E, 7% due 10/01/2019
60	Series A, 6.55% due 10/01/2012
=====	
New Hampshire--0.5%	
2,675	New Hampshire Health and Education Facilities
	Authority, Revenue Refunding Bonds (Elliot Hospital),
	Series B, 5.60% due 10/01/2022
=====	
New Jersey--5.3%	
	New Jersey EDA, Cigarette Tax Revenue Bonds:
9,080	5.50% due 6/15/2024
2,885	5.75% due 6/15/2029
2,855	5.50% due 6/15/2031
6,695	5.75% due 6/15/2034
8,480	Tobacco Settlement Financing Corporation of New Jersey
	Revenue Bonds, 7% due 6/01/2041
=====	
New Mexico--0.5%	
3,300	Farmington, New Mexico, PCR, Refunding (Public
	Service Company--San Juan Project), Series A, 5.80%
	due 4/01/2022
=====	
New York--15.4%	
1,250	Metropolitan Transportation Authority, New York,
	Revenue Bonds, Series B, 5% due 11/15/2031
6,000	Metropolitan Transportation Authority, New York,
	Revenue Refunding Bonds, Series A, 5.125%
	due 11/15/2031
7,655	New York City, New York, City Municipal Water
	Finance Authority, Water and Sewer System, Revenue
	Refunding Bonds, Series B, 5% due 6/15/2036
7,875	New York City, New York, City Transitional Finance
	Authority Revenue Bonds, RIB, Series 283,
	5% due 5/15/2010 (m)
	New York City, New York, GO:
4,415	Series A, 5% due 8/01/2030
1,500	Series D, 5% due 11/01/2027
7,150	Series F, 5.25% due 1/15/2033
20	Series I, 6.25% due 4/15/2017 (n)
1,510	Series I, 6.25% due 4/15/2007 (a)(n)
5,850	Series M, 5% due 4/01/2030
8,225	Series M, 5% due 4/01/2035
10,000	Series O, 5% due 6/01/2030
	New York City, New York, GO, Refunding:
7,035	Series A, 6.375% due 5/15/2010 (a)(f)
965	Series A, 6.375% due 5/15/2014 (f)
4,000	Series G, 5% due 12/01/2033
	New York State Dormitory Authority, Revenue
	Refunding Bonds:
1,000	(Mount Sinai Health), Series A, 6.50%
	due 7/01/2025
11,875	RIB, Series 305, 9.22% due 5/15/2015 (c)(m)
=====	
North Carolina--0.6%	

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

	3,760	Gaston County, North Carolina, Industrial Facilities and Pollution Control Financing Authority, Revenue Bonds (National Gypsum Company Project), AMT, 5.75% due 8/01/2035
=====		
Oregon--1.0%		
	2,000	Portland, Oregon, Airport Way, Urban Renewal and Redevelopment Tax Allocation Refunding Bonds, Series A, 6% due 6/15/2015 (h)
	3,305	Portland, Oregon, Sewer System Revenue Bonds, RIB, Series 386, 8.70% due 8/01/2020 (f)(m)
=====		
Pennsylvania--4.0%		
	2,440	Pennsylvania State Higher Education Assistance Agency Revenue Bonds, Capital Acquisition, 6.125% due 12/15/2010 (a)(c)
	6,250	Pennsylvania State Higher Educational Facilities Authority Revenue Bonds (University of Pennsylvania Medical Center Health System), Series A, 6% due 1/15/2031
	1,000	Philadelphia, Pennsylvania, Authority for Industrial Development, Senior Living Revenue Bonds: (Arbor House Inc. Project), Series E, 6.10% due 7/01/2033
	1,355	(Rieder House Project), Series A, 6.10% due 7/01/2033
	9,280	Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Bonds (Guthrie Healthcare System), Series B, 7.125% due 12/01/2031
	1,750	Sayre, Pennsylvania, Health Care Facilities Authority, Revenue Refunding Bonds (Guthrie Healthcare System), Series A, 6.25% due 12/01/2018
=====		

MUNIVEST FUND, INC. AUGUST 31, 2005 9

Schedule of Investments (continued) (in Thousands)

	Face Amount	Municipal Bonds	
=====			
South Carolina--1.9%			
	\$ 3,500	Lexington County, South Carolina, Health Services District Inc., Hospital Revenue Refunding and Improvement Bonds, 5.50% due 11/01/2032	\$
	2,450	Medical University Hospital Authority, South Carolina, Hospital Facilities Revenue Refunding Bonds, 6.50% due 8/15/2012 (a)	
	5,000	Richland County, South Carolina, Environmental Improvement Revenue Refunding Bonds (International Paper), AMT, 6.10% due 4/01/2023	
=====			
Tennessee--1.6%			
	300	Clarksville, Tennessee, Public Building Authority Revenue Bonds, Pooled Financing (Tennessee Municipal Bond Fund), VRDN, 2.35% due 7/01/2034 (1)	

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

2,000	McMinn County, Tennessee, IDB, Solid Waste Revenue Bonds (Recycling Facility--Calhoun Newsprint), AMT, 7.40% due 12/01/2022
6,500	Shelby County, Tennessee, Health, Educational and Housing Facility Board, Hospital Revenue Refunding Bonds (Methodist Healthcare) 6.50% due 9/01/2012 (a)
=====	
Texas--19.0%	
	Austin, Texas, Convention Center Revenue Bonds (Convention Enterprises Inc.), First Tier, Series A:
6,000	6.70% due 1/01/2028
1,290	6.70% due 1/01/2032
100	Bell County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Scott & White Memorial Hospital), VRDN, Series B-1, 2.36% due 8/15/2029 (c) (1)
3,000	Brazos River Authority, Texas, PCR, Refunding, AMT: (Texas Utilities Electric Company Project), Series B, 5.40% due 5/01/2029
3,055	(Texas Utility Company), Series A, 7.70% due 4/01/2033
11,870	(Utilities Electric Company), Series B, 5.05% due 6/01/2030
11,460	Brazos River, Texas, Harbor Navigation District, Brazoria County Environmental Revenue Refunding Bonds (Dow Chemical Company Project), AMT, Series A-7, 6.625% due 5/15/2033
3,000	Gregg County, Texas, Health Facilities Development Corporation, Hospital Revenue Bonds (Good Shepherd Medical Center Project), 6.875% due 10/01/2020 (g)
10,250	Guadalupe-Blanco River Authority, Texas, Sewage and Solid Waste Disposal Facility Revenue Bonds (E. I. du Pont de Nemours and Company Project), AMT, 6.40% due 4/01/2026
8,000	Gulf Coast, Texas, Waste Disposal Authority, Revenue Refunding Bonds (International Paper Company), AMT, Series A, 6.10% due 8/01/2024
5,500	Harris County, Houston, Texas, Sports Authority, Revenue Refunding Bonds, Senior Lien, Series G, 5.75% due 11/15/2020 (c)
10,485	Harris County, Texas, Health Facilities Development Corporation, Revenue Refunding Bonds, DRIVERS, Series 1018, 8.688% due 7/01/2010 (m)
1,795	Houston, Texas, Industrial Development Corporation Revenue Bonds (Air Cargo), AMT, 6.375% due 1/01/2023
2,030	Mansfield, Texas, Independent School District, GO, Refunding, 6.625% due 2/15/2015
9,355	Matagorda County, Texas, Navigation District Number 1, Revenue Refunding Bonds (Centerpoint Energy Project), 5.60% due 3/01/2027
5,225	Midway, Texas, Independent School District, GO, Refunding, 6.125% due 8/15/2014
2,700	Port Corpus Christi, Texas, Revenue Refunding Bonds (Celanese Project), Series A, 6.45% due 11/01/2030
5,000	Red River Authority, Texas, PCR, Refunding (Celanese Project), AMT, Series B, 6.70% due 11/01/2030
6,250	San Antonio, Texas, Electric and Gas Revenue Bonds, RIB, Series 469x, 8.75% due 2/01/2014 (m)
=====	
Vermont--0.2%	
1,000	Vermont Educational and Health Buildings Financing

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Agency, Developmental and Mental Health Revenue  
Bonds (Howard Center for Human Services), Series A,  
6.375% due 6/15/2022

=====  
Virginia--0.2%

1,425 Chesterfield County, Virginia, IDA, PCR (Virginia Electric  
and Power Company), Series A, 5.875% due 6/01/2017

=====  
Washington--8.2%

Energy Northwest, Washington, Electric Revenue  
Refunding Bonds, DRIVERS (m):  
5,330 Series 248, 8.699% due 7/01/2018 (c)  
3,510 Series 255, 9.195% due 7/01/2018 (h)  
7,350 Series 256, 9.198% due 7/01/2017 (c)  
2,440 Seattle, Washington, Housing Authority Revenue Bonds  
(Replacement Housing Project), 6.125% due 12/01/2032  
8,100 Washington State, GO, Trust Receipts, Class R, Series 6,  
9.071% due 1/01/2014 (i) (m)  
14,320 Washington State Public Power Supply System, Revenue  
Refunding Bonds (Nuclear Project Number 1), Series B,  
7.125% due 7/01/2016

=====  
Wisconsin--2.4%

4,260 Badger Tobacco Asset Securitization Corporation,  
Wisconsin, Asset-Backed Revenue Bonds, 6.125%  
due 6/01/2027  
1,765 Milwaukee, Wisconsin, Revenue Bonds (Air Cargo),  
AMT, 6.50% due 1/01/2025  
5,000 Wisconsin State Health and Educational Facilities  
Authority, Mortgage Revenue Bonds (Hudson  
Memorial Hospital), 5.70% due 1/15/2029 (j)  
3,040 Wisconsin State Health and Educational Facilities  
Authority Revenue Bonds (Synergyhealth Inc.), 6%  
due 11/15/2032

=====  
Wyoming--2.1%

Sweetwater County, Wyoming, Solid Waste Disposal  
Revenue Bonds (FMC Corporation Project), AMT:  
5,425 Series A, 7% due 6/01/2024  
7,475 Series B, 6.90% due 9/01/2024

=====  
U.S. Virgin Islands--1.5%

8,000 Virgin Islands Government Refinery Facilities, Revenue  
Refunding Bonds (Hovensa Coker Project), AMT,  
6.50% due 7/01/2021

=====  
Total Investments (Cost--\$860,581\*)--150.4%

Other Assets Less Liabilities--2.8%

Preferred Stock, at Redemption Value--(53.2%)

Net Assets Applicable to Common Stock--100.0%

---  
\$  
===

10

MUNIVEST FUND, INC.

AUGUST 31, 2005

Schedule of Investments (concluded)

(in Thousands)



Edgar Filing: MUNIVEST FUND INC - Form N-CSR

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

Aggregate cost .....	\$860,613
	=====
Gross unrealized appreciation .....	\$ 83,510
Gross unrealized depreciation .....	(204)
	-----
Net unrealized appreciation .....	\$ 83,306
	=====

- (a) Prerefunded.
- (b) FNMA Collateralized.
- (c) MBIA Insured.
- (d) FNMA/GNMA Collateralized.
- (e) Escrowed to maturity.
- (f) FGIC Insured.
- (g) Radian Insured.
- (h) AMBAC Insured.
- (i) FSA Insured.
- (j) FHA Insured.
- (k) FHLMC Collateralized.
- (l) 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.
- (m) The rate disclosed is that currently in effect. This rate changes periodically and inversely based upon prevailing market rates.
- (n) XL Capital Insured.

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	Dividend Income
Merrill Lynch Institutional Tax-Exempt Fund	(37,658)	\$ 96

Forward interest rate swaps outstanding as of August 31, 2005 were as follows:

	Notional Amount	Unrealized Depreciation
Pay a fixed rate of 3.647% and receive a floating rate based on 1-week USD Bond Market Association rate		
Broker, JPMorgan Chase Bank Expires October 2015	\$43,500	\$ (643)
Pay a fixed rate of 3.806% and receive a floating rate based on 1-week USD Bond Market Association rate		

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Broker, JPMorgan Chase Bank		
Expires November 2015	\$47,600	(1,277)
Pay a fixed rate of 3.931% and receive a floating rate based on 1-week USD Bond Market Association rate		
Broker, JPMorgan Chase Bank		
Expires September 2025	\$ 7,000	(164)
-----		
Total		\$ (2,084)
		=====

See Notes to Financial Statements.

MUNIVEST FUND, INC. AUGUST 31, 2005 11

Statement of Net Assets

As of August 31, 2005

Assets

Investments in unaffiliated securities, at value (identified cost--\$860,580,667) .....	
Cash .....	
Receivables:	
Securities sold .....	\$ 16,558
Interest .....	13,266
	-----
Prepaid expenses and other assets .....	
Total assets .....	

Liabilities

Unrealized depreciation on forward interest rate swaps .....	
Payables:	
Securities purchased .....	9,584
Dividends to Common Stock shareholders .....	425
Investment adviser .....	313
Other affiliates .....	11
	-----
Accrued expenses .....	
Total liabilities .....	

Preferred Stock

Preferred Stock, at redemption value, par value \$.025 per share; 10,000,000 shares authorized (2,000 Series A Shares, 2,000 Series B Shares, 2,000 Series C Shares, 2,000 Series D Shares, 3,000 Series E Shares and 2,360 Series F Shares of AMPS\* issued and outstanding at \$25,000 per share liquidation preference) .....

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

=====  
 Net Assets Applicable to Common Stock  
 -----

Net assets applicable to Common Stock .....

=====  
 Analysis of Net Assets Applicable to Common Stock  
 -----

Common Stock, par value \$.10 per share; 150,000,000 shares  
 authorized (61,346,288 shares issued and outstanding) .....  
 Paid-in capital in excess of par .....  
 Undistributed investment income--net ..... \$ 8,602  
 Accumulated realized capital losses--net ..... (32,877  
 Unrealized appreciation--net ..... 81,254  
 -----

Total accumulated earnings--net .....

Total--Equivalent to \$10.23 net asset value per share of  
 Common Stock (market price--\$10.15) .....

\* Auction Market Preferred Stock.  
 See Notes to Financial Statements.

12 MUNIVEST FUND, INC. AUGUST 31, 2005

Statement of Operations

For the Year Ended August 31, 2005

=====  
 Investment Income  
 -----

Interest .....  
 Dividends from affiliates .....  
 Total income .....

=====  
 Expenses  
 -----

Investment advisory fees ..... \$ 4,754  
 Commission fees ..... 855  
 Accounting services ..... 273  
 Transfer agent fees ..... 124  
 Professional fees ..... 54  
 Printing and shareholder reports ..... 47  
 Custodian fees ..... 46  
 Directors' fees and expenses ..... 33  
 Pricing fees ..... 32  
 Listing fees ..... 27  
 Other ..... 46  
 -----

Total expenses before reimbursement ..... 6,296  
 Reimbursement of expenses ..... (13  
 -----

Total expenses after reimbursement .....

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Investment income--net .....	
=====	
Realized & Unrealized Gain (Loss)--Net	
-----	
Realized gain (loss) on:	
Investments--net .....	9,238
Forward interest rate swaps and futures contracts--net ...	(3,090)
-----	
Change in unrealized appreciation/depreciation on:	
Investments--net .....	16,074
Forward interest rate swaps--net .....	(496)
-----	
Total realized and unrealized gain--net .....	
=====	
Dividends to Preferred Stock Shareholders	
-----	
Investment income--net .....	
Net Increase in Net Assets Resulting from Operations .....	

See Notes to Financial Statements.

MUNIVEST FUND, INC.

AUGUST 31, 2005

13

Statements of Changes in Net Assets

		Fo
		-----
Increase (Decrease) in Net Assets:		2005
=====		
Operations		
-----		
Investment income--net .....	\$ 45,562	
Realized gain--net .....	6,148	
Change in unrealized appreciation/depreciation--net .....	15,577	
Dividends to Preferred Stock shareholders .....	(6,333)	
		-----
Net increase in net assets resulting from operations .....	60,954	
=====		
Dividends to Common Stock Shareholders		
-----		
Investment income--net .....	(41,224)	
		-----
Net decrease in net assets resulting from dividends to Common Stock shareholders .....	(41,224)	
-----		
Capital Stock Transactions		
-----		
Offering costs resulting from issuance of Preferred Stock ...		(8

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Net decrease in net assets resulting from capital stock transactions .....		(8)
<hr/>		
Net Assets Applicable to Common Stock		
<hr/>		
Total increase in net assets applicable to Common Stock .....		19,720
Beginning of year .....		607,841
<hr/>		
End of year* .....		\$ 627,562
<hr/>		
* Undistributed investment income--net .....		\$ 8,602
<hr/>		

See Notes to Financial Statements.

Financial Highlights

	For the Year Ended A		
The following per share data and ratios have been derived from information provided in the financial statements.	2005	2004	2003
Per Share Operating Performance	<hr/>		
Net asset value, beginning of year .....	\$ 9.91	\$ 9.54	\$ 9.76
Investment income--net .....	.74+	.72+	.72+
Realized and unrealized gain (loss)--net	.35	.36	(.26)
Less dividends to Preferred Stock shareholders from investment income--net .....	(.10)	(.04)	(.05)
<hr/>			
Total from investment operations .....	.99	1.04	.41
<hr/>			
Less dividends to Common Stock shareholders from investment income--net .....	(.67)	(.66)	(.63)
<hr/>			
Offering costs resulting from the issuance of Preferred Stock .....	--**	(.01)	--
<hr/>			
Net asset value, end of year .....	\$ 10.23	\$ 9.91	\$ 9.54
<hr/>			
Market price per share, end of year ....	\$ 10.15	\$ 9.30	\$ 8.80
<hr/>			
Total Investment Return++			
<hr/>			
Based on net asset value per share .....	10.64%	11.60%	4.79%
<hr/>			
Based on market price per share .....	16.97%	13.53%	3.56%
<hr/>			

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

### Financial Highlights (concluded)

The following per share data and ratios have been derived from information provided in the financial statements.

	For the Year Ended A		
	2005	2004	2003
Ratios Based on Average Net Assets of Common Stock			
Total expenses, net of reimbursement* ..	1.02%	.94%	.95%
Total expenses* .....	1.02%	.95%	.96%
Total investment income--net* .....	7.38%	7.37%	7.33%
Amount of dividends to Preferred Stock shareholders .....	1.02%	.43%	.50%
Investment income--net, to Common Stock shareholders .....	6.36%	6.94%	6.83%
Ratios Based on Average Net Assets of Preferred Stock			
Dividends to Preferred Stock shareholders .....	1.90%	.95%	1.11%
Supplemental Data			
Net assets applicable to Common Stock, end of year (in thousands) .....	\$627,562	\$607,842	\$585,022
Preferred Stock outstanding, end of year (in thousands) .....	\$334,000	\$334,000	\$275,000
Portfolio turnover .....	59.14%	45.33%	44.30%
Leverage			
Asset coverage per \$1,000 .....	\$ 2,879	\$ 2,820	\$ 3,127
Dividends Per Share on Preferred Stock Outstanding			
Series A--Investment income--net .....	\$ 477	\$ 244	\$ 266
Series B--Investment income--net .....	\$ 458	\$ 238	\$ 278
Series C--Investment income--net .....	\$ 485	\$ 239	\$ 269
Series D--Investment income--net .....	\$ 478	\$ 242	\$ 306
Series E--Investment income--net .....	\$ 464	\$ 229	\$ 269
Series F***--Investment income--net ....	\$ 485	--	--

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

- \* Do not reflect the effect of dividends to Preferred Stock shareholders.
- \*\* Amount is less than \$(.01) per share.
- \*\*\* Series F was issued on August 31, 2004.
- + Based on average shares outstanding.
- ++ 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. Total investment returns exclude the effects of sales charges.

See Notes to Financial Statements.

MUNIVEST FUND, INC.            AUGUST 31, 2005

15

### Notes to Financial Statements

#### 1. Significant Accounting Policies:

MuniVest Fund, Inc. (the "Fund") is registered under the Investment Company Act of 1940, as amended, as a non-diversified, closed-end management investment company. The Fund's financial statements are prepared in conformity with U.S generally accepted accounting principles, which may require the use of management accruals and estimates. Actual results may differ from these estimates. The Fund determines and makes available for publication the net asset value of its Common Stock on a daily basis. The Fund's Common Stock shares are listed on the American Stock Exchange under the symbol MVF. The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of investments -- Municipal bonds are traded primarily in the over-the-counter ("OTC") markets and are valued at the last available bid price in the OTC market or on the basis of values as obtained by a pricing service. Pricing services use valuation matrixes that incorporate both dealer-supplied valuations and valuation models. The procedures of the pricing service and its valuations are reviewed by the officers of the Fund under the general direction of the Board of Directors. Such valuations and procedures are reviewed periodically by the Board of Directors of the Fund. Financial futures contracts and options thereon, which are traded on exchanges, are valued at their closing prices as of the close of such exchanges. Options written or purchased are valued at the last sale price in the case of exchange-traded options. In the case of options traded in the OTC market, valuation is the last asked price (options written) or the last bid price (options purchased). Swap agreements are valued by quoted fair values received daily by the Fund's pricing service. Short-term investments with a remaining maturity of 60 days or less are valued at amortized cost, which approximates market value, under which method the investment is valued at cost and any premium or discount is amortized on a straight line basis to maturity. Investments in open-end investment companies are valued at their net asset value each business day. Securities and other assets for which market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund.

(b) Derivative financial instruments -- The Fund may engage in various portfolio investment strategies both to increase the return of the Fund and to hedge, or protect its exposure to interest rate movements and movements in the securities markets. Losses may arise due to changes in the value of the contract or if the counterparty does not perform under the contract.

o Financial futures contracts -- The Fund may purchase or sell financial futures contracts and options on such futures contracts. Futures contracts are contracts for delayed delivery of securities at a specific future date

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

and at a specific price or yield. Upon entering into a contract, the Fund deposits and maintains as collateral such initial margin as required by the exchange on which the transaction is effected. Pursuant to the contract, the Fund agrees 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 variation margin and are recorded by the Fund as unrealized gains or losses. When the contract is closed, the Fund records 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.

- o Options -- The Fund may purchase and write call and put options. When the Fund writes an option, an amount equal to the premium received by the Fund is reflected as an asset and an equivalent liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of the option written. When a security is purchased or sold through an exercise of an option, the related premium paid (or received) is added to (or deducted from) the basis of the security acquired or deducted from (or added to) the proceeds of the security sold. When an option expires (or the Fund enters into a closing transaction), the Fund realizes a gain or loss on the option to the extent of the premiums received or paid (or gain or loss to the extent the cost of the closing transaction exceeds the premium paid or received).

Written and purchased options are non-income producing investments.

- o Forward interest rate swaps -- The Fund may enter into forward interest rate swaps. In a forward interest rate swap, the Fund and the counterparty agree to make periodic net payments on a specified notional contract amount, commencing on a specified future effective date, unless terminated earlier. When the agreement is closed, the Fund records a realized gain or loss in an amount equal to the value of the agreement.

(c) Income taxes -- It is the Fund's policy to comply with the requirements of the Internal Revenue Code 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.

16

MUNIVEST FUND, INC.

AUGUST 31, 2005

### Notes to Financial Statements (continued)

(d) Security transactions and investment income -- Security transactions are recorded on the dates the transactions are entered into (the trade dates). Realized gains and losses on security transactions are determined on the identified cost basis. Dividend income is recorded on the ex-dividend dates. Interest income is recognized on the accrual basis. The Fund amortizes all premiums and discounts on debt securities.

(e) Dividends and distributions -- Dividends from net investment income are declared and paid monthly. Distributions of capital gains are recorded on the ex-dividend dates.

(f) Offering costs -- Direct expenses relating to the public offering of the Fund's Preferred Stock were charged to capital.

### 2. Investment Advisory Agreement and Transactions with Affiliates:

The Fund has entered into an Investment Advisory Agreement with Fund Asset Management, L.P. ("FAM"). The general partner of FAM is Princeton Services, Inc.



## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

("PSI"), an indirect, wholly-owned subsidiary of Merrill Lynch & Co., Inc. ("ML & Co."), which is the limited partner.

FAM is responsible for the management of the Fund's portfolio and provides the necessary personnel, facilities, equipment and certain other services necessary to the operations of the Fund. For such services, the Fund pays a monthly fee at an annual rate of .50% of the Fund's average daily net assets, including assets acquired from the sale of Preferred Stock. The Investment Adviser has agreed to waive its management fee by the amount of management fees the Fund pays to FAM indirectly through its investment in the Merrill Lynch Institutional Tax-Exempt Fund. For the year ended August 31, 2005, FAM reimbursed the Fund in the amount of \$13,941.

In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S") received \$6,895 in commissions on the execution of portfolio security transactions for the Fund for the year ended August 31, 2005.

For the year ended August 31, 2005, the Fund reimbursed FAM \$21,532 for certain accounting services.

Certain officers and/or directors of the Fund are officers and/or directors of FAM, PSI, and/or ML & Co.

### 3. Investments:

Purchases and sales of investments, excluding short-term securities, for the year ended August 31, 2005, were \$575,045,625 and \$550,194,675 respectively.

### 4. Capital Stock Transactions:

#### Common Stock

At August 31, 2005, the Fund had one class of shares of Common Stock, par value \$.10 per share, of which 150,000,000 shares were authorized.

#### Preferred Stock

Auction Market Preferred Stock are redeemable shares of Preferred Stock of the Fund with a par value of \$.025 per share and a liquidation preference of \$25,000 per share plus accrued and unpaid dividends, that entitle their holders to receive cash dividends at an annual rate that may vary for the successive dividend periods for each series. The Fund is authorized to issue 10,000,000 shares of Preferred Stock. The yields in effect at August 31, 2005 were as follows: Series A, 2.41%; Series B, 2.25%; Series C, 2.30%; Series D, 2.469%; Series E, 2.40%; and Series F, 2.40%.

Shares issued and outstanding for the year ended August 31, 2005 remained constant. During the year ended August 31, 2004, shares increased by 2,360 shares from the issuance of an additional series of Preferred Stock.

The Fund pays commissions to certain broker-dealers at the end of each auction at an annual rate ranging from .25% to .375% calculated on the proceeds of each auction. For the year ended August 31, 2005, MLPF&S received \$396,709 as commissions.

### 5. Distributions to Shareholders:

The Fund paid a tax-exempt income dividend to holders of Common Stock in the amount of \$.056000 per share on September 29, 2005 to shareholders of record on September 14, 2005.

The tax character of distributions paid during the fiscal years ended August 31,

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

2005 and August 31, 2004 was as follows:

	8/31/2005	8/31/2004
Distributions paid from:		
Tax-exempt income .....	\$47,558,681	\$42,917,361
Total distributions .....	\$47,558,681	\$42,917,361

MUNIVEST FUND, INC.                      AUGUST 31, 2005                      17

### Notes to Financial Statements (concluded)

As of August 31, 2005, the components of accumulated earnings on a tax basis were as follows:

Undistributed tax-exempt income--net .....	\$ 8,560,779
Undistributed long-term capital gains--net .....	--
Total undistributed earnings--net .....	8,560,779
Capital loss carryforward .....	(20,303,047)*
Unrealized gains--net .....	68,721,089**
Total accumulated earnings--net .....	\$ 56,978,821

\* On August 31, 2005, the Fund had a net capital loss carryforward of \$20,303,047, of which \$2,623,164 expires in 2008 and \$17,679,883 expires in 2009. This amount will be available to offset like amounts of any future taxable gains.

\*\* The difference between book-basis and tax-basis net unrealized gains is attributable primarily to the tax deferral of losses on wash sales, the tax deferral of losses on straddles, and the difference between book and tax amortization methods for premiums and discounts on fixed income securities.

### Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of  
MuniVest Fund, Inc.:

We have audited the accompanying statement of net assets, including the schedule of investments, of MuniVest Fund, Inc. as of August 31, 2005, and the related statement of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. The Fund is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of August 31, 2005, by correspondence with the custodian and brokers; where replies were not received from brokers, we performed other auditing procedures. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of MuniVest Fund, Inc. as of August 31, 2005, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended, and its financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Deloitte & Touche LLP  
Princeton, New Jersey  
October 18, 2005

### Important Tax Information (unaudited)

All of the net investment income distributions paid by MuniVest Fund, Inc. during the taxable year ended August 31, 2005 qualify as tax-exempt interest dividends for federal income tax purposes.

18

MUNIVEST FUND, INC.

AUGUST 31, 2005

### Automatic Dividend Reinvestment Plan

The following description of the Fund's Automatic Dividend Reinvestment Plan (the "Plan") is sent to you annually as required by federal securities laws.

Pursuant to the Fund's Plan, unless a holder of Common Stock otherwise elects, all dividend and capital gains distributions will be automatically reinvested by The Bank of New York (the "Plan Agent"), as agent for shareholders in administering the Plan, in additional shares of Common Stock of the Fund. Holders of Common Stock who elect not to participate in the Plan will receive all distributions in cash paid by check mailed directly to the shareholder of record (or, if the shares are held in street or other nominee name then to such nominee) by The Bank of New York, as dividend paying agent. Such participants may elect not to participate in the Plan and to receive all distributions of dividends and capital gains in cash by sending written instructions to The Bank of New York, as dividend paying agent, at the address set forth below. Participation in the Plan is completely voluntary and may be terminated or resumed at any time without penalty by written notice if received by the Plan Agent not less than ten days prior to any dividend record date; otherwise such termination will be effective with respect to any subsequently declared dividend or distribution.

Whenever the Fund declares an income dividend or capital gains distribution (collectively referred to as "dividends") payable either in shares or in cash, non-participants in the Plan will receive cash and participants in the Plan will receive the equivalent in shares of Common Stock. The shares will be acquired by the Plan Agent for the participant's account, depending upon the circumstances

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

described below, either (i) through receipt of additional unissued but authorized shares of Common Stock from the Fund ("newly issued shares") or (ii) by purchase of outstanding shares of Common Stock on the open market ("open-market purchases") on the American Stock Exchange or elsewhere. If, on the payment date for the dividend, the net asset value per share of the Common Stock is equal to or less than the market price per share of the Common Stock plus estimated brokerage commissions (such conditions being referred to herein as "market premium"), the Plan Agent will invest the dividend amount in newly issued shares on behalf of the participant. The number of newly issued shares of Common Stock to be credited to the participant's account will be determined by dividing the dollar amount of the dividend by the net asset value per share on the date the shares are issued, provided that the maximum discount from the then current market price per share on the date of issuance may not exceed 5%. If, on the dividend payment date, the net asset value per share is greater than the market value (such condition being referred to herein as "market discount"), the Plan Agent will invest the dividend amount in shares acquired on behalf of the participant in open-market purchases.

In the event of a market discount on the dividend payment date, the Plan Agent will have until the last business day before the next date on which the shares trade on an "ex-dividend" basis or in no event more than 30 days after the dividend payment date (the "last purchase date") to invest the dividend amount in shares acquired in open-market purchases. It is contemplated that the Fund will pay monthly income dividends. Therefore, the period during which open-market purchases can be made will exist only from the payment date on the dividend through the date before the next "ex-dividend" date, which typically will be approximately 10 days. If, before the Plan Agent has completed its open-market purchases, the market price of a share of Common Stock exceeds the net asset value per share, the average per share purchase price paid by the Plan Agent may exceed the net asset value of the Fund's shares, resulting in the acquisitions of fewer shares than if the dividend had been paid in newly issued shares on the dividend payment date. Because of the foregoing difficulty with respect to open-market purchases, the Plan provides that if the Plan Agent is unable to invest the full dividend amount in open-market purchases during the purchase period or if the market discount shifts to a market premium during the purchase period, the Plan Agent will cease making open-market purchases and will invest the uninvested portion of the dividend amount in newly issued shares at the close of business on the last purchase date determined by dividing the uninvested portion of the dividend by the net asset value per share.

The Plan Agent maintains all shareholders' accounts in the Plan and furnishes written confirmation of all transactions in the account, including information needed by shareholders for tax records. Shares in the account of each Plan participant will be held by the Plan Agent in non-certificated form in the name of the participant, and each shareholder's proxy will include those shares purchased or received pursuant to the Plan. The Plan Agent will forward all proxy solicitation materials to participants and vote proxies for shares held pursuant to the Plan in accordance with the instructions of the participants.

In the case of shareholders such as banks, brokers or nominees which hold shares of others who are the beneficial owners, the Plan Agent will administer the Plan on the basis of the number of shares certified from time to time by

MUNIVEST FUND, INC.      AUGUST 31, 2005

19

Automatic Dividend Reinvestment Plan (concluded)

the record shareholders as representing the total amount registered in the record shareholder's name and held for the account of beneficial owners who are to participate in the Plan.

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

There will be no brokerage charges with respect to shares issued directly by the Fund as a result of dividends or capital gains distributions payable either in shares or in cash. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of dividends.

The automatic reinvestment of dividends and distributions will not relieve participants of any federal, state or local income tax that may be payable (or required to be withheld) on such dividends.

Shareholders participating in the Plan may receive benefits not available to shareholders not participating in the Plan. If the market price plus commissions of the Fund's shares is above the net asset value, participants in the Plan will receive shares of the Fund at less than they could otherwise purchase them and will have shares with a cash value greater than the value of any cash distribution they would have received on their shares. If the market price plus commissions is below the net asset value, participants will receive distributions in shares with a net asset value greater than the value of any cash distribution they would have received on their shares. However, there may be insufficient shares available in the market to make distributions in shares at prices below the net asset value. Also, since the Fund does not redeem shares, the price on resale may be more or less than the net asset value.

The value of shares acquired pursuant to the Plan will generally be excluded from gross income to the extent that the cash amount reinvested would be excluded from gross income. If, when the Fund's shares are trading at a premium over net asset value, the Fund issues shares pursuant to the Plan that have a greater fair market value than the amount of cash reinvested, it is possible that all or a portion of such discount (which may not exceed 5% of the fair market value of the Fund's shares) could be viewed as a taxable distribution. If the discount is viewed as a taxable distribution, it is also possible that the taxable character of this discount would be allocable to all the shareholders, including shareholders who do not participate in the Plan. Thus, shareholders who do not participate in the Plan might be required to report as ordinary income a portion of their distributions equal to their allocable share of the discount.

Experience under the Plan may indicate that changes are desirable. Accordingly, the Fund reserves the right to amend or terminate the Plan. There is no direct service charge to participants in the Plan; however, the Fund reserves the right to amend the Plan to include a service charge payable by the participants.

All correspondence concerning the Plan should be directed to the Plan Agent at The Bank of New York, Church Street Station, P.O. Box 11258, New York, NY 10286-1258, Telephone: 800-432-8224.

### Dividend Policy

The Fund's dividend policy is to distribute all or a portion of its net investment income to its shareholders on a monthly basis. In order to provide shareholders with a more stable level of dividend distributions, the Fund 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 Fund for any particular month may be more or less than the amount of net investment income earned by the Fund during such month. The Fund's current accumulated but undistributed net investment income, if any, is disclosed in the Statement of Net Assets, which comprises part of the financial information included in this report.

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

20

MUNIVEST FUND, INC.

AUGUST 31, 2005

Officers and Directors

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
-----				
Interested Director				
-----				
Robert C. Doll, Jr.*	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 51	President and Director	2005 to present	President of the MLIM/FAM-advised funds since 2005; President of MLIM and FAM since 2001; Co-Head (Americas Region) thereof from 2000 to 2001 and Senior Vice President from 1999 to 2001; President and Director of Princeton Services, Inc. ("Princeton Services") since 2001; President of Princeton Administrators, L.P. ("Princeton Administrators") since 2001; Chief Investment Officer of Oppenheimer Funds, Inc. in 1999 and Executive Vice President thereof from 1991 to 1999.
-----				
* Mr. Doll is a director, trustee or member of an advisory board of certain other investment funds. Mr. Doll is an "interested person," as described in the Fund based on his current positions with MLIM, FAM, Princeton Services and Princeton Administrators, L.P. until their resignation, removal or death, or until December 31 of the year in which Mr. Doll serves at the pleasure of the Board of Directors.				
-----				
Independent Directors*				
-----				
Ronald W. Forbes**	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 64	Director	1988 to present	Professor Emeritus of Finance, School of Business, State University of New York at Albany since 2000 and Professor thereof from 1989 to 2000; International Consultant, Urban Institute, Washington, from 1995 to 1999.
-----				
Cynthia A. Montgomery	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 53	Director	1993 to present	Professor, Harvard Business School since 1989; Associate Professor, J.L. Kellogg Graduate School of Management, Northwestern University from 1985 to 1989; Associate Professor, Graduate School of Business Administration, University of Michigan from 1979 to 1985; Director, Harvard Business School Publishing since 2005.
-----				
Jean Margo Reid	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 60	Director	2004 to present	Self-employed consultant since 2001; Counsel of Alliance Capital Management (investment adviser) in 2000; General Counsel, Director and Secretary of Sanford C. Bernstein & Co., Inc. (investment adviser/broker-dealer) from 1997 to 2000; Secretary, Sanford C. Bernstein Fund, Inc. from 1994 to 2000; Director and Secretary of SCB, Inc. since 1998; Director and Secretary of SCB Partners, Inc. since 2000; Director of Covenant House from 2001 to 2004.
-----				
Roscoe S. Suddarth	P.O. Box 9095 Princeton, NJ	Director	2000 to present	President, Middle East Institute from 1995 to 2000; Foreign Service Officer, United States Foreign

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

08543-9095  
Age: 70

Service from 1961 to 1995; Career Minister from 1961 to 1995; Deputy Inspector General, U.S. Department of State, from 1991 to 1994; U.S. Ambassador to Hashemite Kingdom of Jordan from 1987 to 1990.

-----  
Richard R. West P.O. Box 9095 Princeton, NJ 08543-9095 Age: 67 Director 1988 to present Professor of Finance from 1984 to 1995, Dean from 1984 to 1993 and Dean Emeritus since 1995 of New York University's Leonard N. Stern School of Business Administration.

MUNIVEST FUND, INC.

AUGUST 31, 2005

21

Officers and Directors (concluded)

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
------	---------------	----------------------------	-----------------------	---

-----  
Independent Directors\* (concluded)

Edward D. Zinbarg	P.O. Box 9095 Princeton, NJ 08543-9095 Age: 70	Director	2000 to present	Self-employed financial consultant since 1994; Executive Vice President of the Prudential Insurance Company of America from 1988 to 1994; Former Director of Prudential Reinsurance Company and former Trustee of the Prudential Foundation.
-------------------	--	----------	-----------------	--

-----  
\* Directors serve until their resignation, removal or death, or until December 31 of the year.  
\*\* Chairman of the Board and the Audit Committee.

Name	Address & Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 Years
------	---------------	----------------------------	-----------------------	---

-----  
Fund Officers\*

Donald C. Burke	P.O. Box 9011 Princeton, NJ 08543-9011 Age: 45	Vice President and Treasurer	1993 to present and 1999 to present	First Vice President of MLIM and FAM since 1997; Senior Vice President and Treasurer of Princeton University since 2004; Vice President of FAM Distributors, President of MLIM and FAM from 1990 to 1997; Director of MLIM and FAM from 1990 to 2001; Vice President, Treasurer and Secretary of MLIM and FAM from 1990 to 2001.
-----------------	--	------------------------------	-------------------------------------	--

Kenneth A. ...	P.O. Box 9011	Senior ...	2002 to	Managing Director of MLIM since 2000; Director of ...
----------------	---------------	------------	---------	---

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Jacob	Princeton, NJ 08543-9011	Vice President	present	Management) of MLIM from 1997 to 2000.
-----				
John M. Loffredo	P.O. Box 9011 Princeton, NJ 08543-9011	Senior Vice President	2002 to present	Managing Director of MLIM since 2000; Director (Management) of MLIM from 1997 to 2000.
-----				
Fred K. Stuebe	P.O. Box 9011 Princeton, NJ 08543-9011	Vice President	1990 to present	Director (Municipal Tax-Exempt Fund Management) of MLIM from 1994 to 2000.
-----				
Jeffrey Hiller	P.O. Box 9011 Princeton, NJ 08543-9011	Chief Compliance Officer	2004 to present	Chief Compliance Officer of the MLIM/FAM-advised Chief Compliance Officer of MLIM (Americas Region) Officer of the IQ Funds since 2004; Global Director Investment Management from 2002 to 2004; Managing Compliance at Citigroup Asset Management from 2000; Chief Officer at Soros Fund Management in 2000; Chief Financial from 1995 to 2000; Senior Counsel in Enforcement in Washington, D.C. from 1990 to 1995
-----				
Alice A. Pellegrino	P.O. Box 9011 Princeton, NJ 08543-9011	Secretary	2004 to present	Director (Legal Advisory) of MLIM since 2002; Vice President 2002; Attorney associated with MLIM since 1997; Princeton Services since 2004.

\* Officers of the Fund serve at the pleasure of the Board of Directors.

### Custodian

The Bank of New York  
100 Church Street  
New York, NY 10286

### Transfer Agents

#### Common Stock:

The Bank of New York  
101 Barclay Street -- 11 East  
New York, NY 10286

#### Preferred Stock:

The Bank of New York  
101 Barclay Street -- 7 West  
New York, NY 10286

### AMEX Symbol

MVF

22

MUNIVEST FUND, INC.

AUGUST 31, 2005

Availability of Quarterly Schedule of Investments



## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission ("SEC") for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available on the SEC's Web site at <http://www.sec.gov>. The Fund's Forms N-Q 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 1-800-SEC-0330.

### Electronic Delivery

The Fund offers electronic delivery of communications to its shareholders. In order to receive this service, you must register your account and provide us with e-mail information. To sign up for this service, simply access this Web site at <http://www.icsdelivery.com/live> and follow the instructions. When you visit this site, you will obtain a personal identification number (PIN). You will need this PIN should you wish to update your e-mail address, choose to discontinue this service and/or make any other changes to the service. This service is not available for certain retirement accounts at this time.

MUNIVEST FUND, INC.

AUGUST 31, 2005

23

[LOGO] Merrill Lynch Investment Managers

[www.mlim.ml.com](http://www.mlim.ml.com)

-----

Mercury Advisors

A Division of Merrill Lynch Investment Managers

[www.mercury.ml.com](http://www.mercury.ml.com)

MuniVest Fund, Inc. seeks to provide shareholders with as high a level of current income exempt from federal income taxes as is consistent with its investment policies and prudent investment management by investing primarily in a portfolio of long-term, investment grade municipal obligations, the interest on which is exempt from federal income taxes in the opinion of bond counsel to the issuer.

This report, including the financial information herein, is transmitted to the shareholders of MuniVest Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report. Past performance results shown in this report should not be considered a representation of future performance. The Fund has leveraged its Common Stock and intends to remain leveraged by issuing Preferred Stock to provide the Common Stock shareholders with a potentially higher rate of return. Leverage creates risks for Common Stock shareholders, including the likelihood of greater volatility of net asset value and market price of shares of the Common Stock, and the risk that fluctuations in the short-term dividend rates of the Preferred Stock may affect the yield to Common Stock shareholders. Statements and other information herein are as dated and are subject to change.

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (1) without charge, upon request, by calling toll-free 1-800-MER-FUND (1-800-637-3863); (2) at [www.mutualfunds.ml.com](http://www.mutualfunds.ml.com); and (3) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. Information about how the Fund voted proxies relating to securities held in the Fund's portfolio during the most recent 12-month period ended June 30 is available (1) at [www.mutualfunds.ml.com](http://www.mutualfunds.ml.com) and (2)

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

on the Securities and Exchange Commission's Web site at <http://www.sec.gov>.

MuniVest Fund, Inc.  
Box 9011  
Princeton, NJ 08543-9011

#10787 -- 8/05

Item 2 - Code of Ethics - The registrant has adopted a code of ethics, as of the end of the period covered by this report, that applies to the registrant's principal executive officer, principal financial officer and principal accounting officer, or persons performing similar functions. A copy of the code of ethics is available without charge upon request by calling toll-free 1-800-MER-FUND (1-800-637-3863).

Item 3 - Audit Committee Financial Expert - The registrant's board of directors has determined that (i) the registrant has the following audit committee financial experts serving on its audit committee and (ii) each audit committee financial expert is independent: (1) Ronald W. Forbes, (2) Richard R. West, and (3) Edward D. Zinbarg.

Item 4 - Principal Accountant Fees and Services

(a) Audit Fees - Fiscal Year Ending August 31, 2005 - \$30,000  
Fiscal Year Ending August 31, 2004 - \$28,000

(b) Audit-Related Fees - Fiscal Year Ending August 31, 2005 - \$16,400  
Fiscal Year Ending August 31, 2004 - \$3,000

The nature of the services include assurance and related services reasonably related to the performance of the audit of financial statements not included in Audit Fees.

(c) Tax Fees - Fiscal Year Ending August 31, 2005 - \$7,000  
Fiscal Year Ending August 31, 2004 - \$5,610

The nature of the services include tax compliance, tax advice and tax planning.

(d) All Other Fees - Fiscal Year Ending August 31, 2005 - \$0  
Fiscal Year Ending August 31, 2004 - \$0

(e) (1) The registrant's audit committee (the "Committee") has adopted policies and procedures with regard to the pre-approval of services. Audit, audit-related and tax compliance services provided to the registrant on an annual basis require specific pre-approval by the Committee. The Committee also must approve other non-audit services provided to the registrant and those non-audit services provided to the registrant's affiliated service providers that relate directly to the operations and the financial reporting of the registrant. Certain of these non-audit services that the Committee believes are a) consistent with the SEC's auditor independence rules and b) routine and recurring services that will not impair the independence of the independent accountants may be approved by the Committee without consideration on a specific case-by-case basis ("general pre-approval"). However, such services will only be deemed pre-approved provided that any individual project does not exceed \$5,000 attributable to the registrant or \$50,000 for all of the registrants the Committee oversees. Any proposed services exceeding the pre-approved cost levels will require specific pre-approval by the Committee, as will any other services not subject

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

to general pre-approval (e.g., unanticipated but permissible services). The Committee is informed of each service approved subject to general pre-approval at the next regularly scheduled in-person board meeting.

(e) (2) 0%

(f) Not Applicable

(g) Fiscal Year Ending August 31, 2005 - \$7,377,027  
Fiscal Year Ending August 31, 2004 - \$14,913,836

(h) The registrant's audit committee has considered and determined that the provision of non-audit services that were rendered to the registrant's investment adviser and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registrant that were not pre-approved pursuant to paragraph (c) (7) (ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence.

Regulation S-X Rule 2-01(c) (7) (ii) - \$1,227,000, 0%

Item 5 - Audit Committee of Listed Registrants - The following individuals are members of the registrant's separately-designated standing audit committee established in accordance with Section 3(a) (58) (A) of the Exchange Act (15 U.S.C. 78c(a) (58) (A)):

Ronald W. Forbes  
Cynthia A. Montgomery  
Jean Margo Reid  
Kevin A. Ryan (retired as of December 31, 2004)  
Roscoe S. Suddarth  
Richard R. West  
Edward D. Zinbarg

Item 6 - Schedule of Investments - Not Applicable

Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies -  
Proxy Voting Policies and Procedures

Each Fund's Board of Directors/Trustees has delegated to Merrill Lynch Investment Managers, L.P. and/or Fund Asset Management, L.P. (the "Investment Adviser") authority to vote all proxies relating to the Fund's portfolio securities. The Investment Adviser has adopted policies and procedures ("Proxy Voting Procedures") with respect to the voting of proxies related to the portfolio securities held in the account of one or more of its clients, including a Fund. Pursuant to these Proxy Voting Procedures, the Investment Adviser's primary objective when voting proxies is to make proxy voting decisions solely in the best interests of each Fund and its shareholders, and to act in a manner that the Investment Adviser believes is most likely to enhance the economic value of the securities held by the Fund. The Proxy Voting Procedures are designed to ensure that the Investment Adviser considers the interests of its clients, including the Funds, and not the interests of the Investment Adviser, when voting proxies and that real (or perceived) material conflicts that may arise between the Investment Adviser's interest and those of the Investment Adviser's clients are properly addressed and resolved.

In order to implement the Proxy Voting Procedures, the Investment

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

Adviser has formed a Proxy Voting Committee (the "Committee"). The Committee is comprised of the Investment Adviser's Chief Investment Officer (the "CIO"), one or more other senior investment professionals appointed by the CIO, portfolio managers and investment analysts appointed by the CIO and any other personnel the CIO deems appropriate. The Committee will also include two non-voting representatives from the Investment Adviser's Legal department appointed by the Investment Adviser's General Counsel. The Committee's membership shall be limited to full-time employees of the Investment Adviser. No person with any investment banking, trading, retail brokerage or research responsibilities for the Investment Adviser's affiliates may serve as a member of the Committee or participate in its decision making (except to the extent such person is asked by the Committee to present information to the Committee, on the same basis as other interested

knowledgeable parties not affiliated with the Investment Adviser might be asked to do so). The Committee determines how to vote the proxies of all clients, including a Fund, that have delegated proxy voting authority to the Investment Adviser and seeks to ensure that all votes are consistent with the best interests of those clients and are free from unwarranted and inappropriate influences. The Committee establishes general proxy voting policies for the Investment Adviser and is responsible for determining how those policies are applied to specific proxy votes, in light of each issuer's unique structure, management, strategic options and, in certain circumstances, probable economic and other anticipated consequences of alternate actions. In so doing, the Committee may determine to vote a particular proxy in a manner contrary to its generally stated policies. In addition, the Committee will be responsible for ensuring that all reporting and recordkeeping requirements related to proxy voting are fulfilled.

The Committee may determine that the subject matter of a recurring proxy issue is not suitable for general voting policies and requires a case-by-case determination. In such cases, the Committee may elect not to adopt a specific voting policy applicable to that issue. The Investment Adviser believes that certain proxy voting issues require investment analysis - such as approval of mergers and other significant corporate transactions - akin to investment decisions, and are, therefore, not suitable for general guidelines. The Committee may elect to adopt a common position for the Investment Adviser on certain proxy votes that are akin to investment decisions, or determine to permit the portfolio manager to make individual decisions on how best to maximize economic value for a Fund (similar to normal buy/sell investment decisions made by such portfolio managers). While it is expected that the Investment Adviser will generally seek to vote proxies over which the Investment Adviser exercises voting authority in a uniform manner for all the Investment Adviser's clients, the Committee, in conjunction with a Fund's portfolio manager, may determine that the Fund's specific circumstances require that its proxies be voted differently.

To assist the Investment Adviser in voting proxies, the Committee has retained Institutional Shareholder Services ("ISS"). ISS is an independent adviser that specializes in providing a variety of fiduciary-level proxy-related services to institutional investment managers, plan sponsors, custodians, consultants, and other institutional investors. The services provided to the Investment Adviser by ISS include in-depth research, voting recommendations (although the Investment Adviser is not obligated to follow such recommendations), vote execution, and recordkeeping. ISS will also assist the Fund in fulfilling its reporting and recordkeeping

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

obligations under the Investment Company Act.

The Investment Adviser's Proxy Voting Procedures also address special circumstances that can arise in connection with proxy voting. For instance, under the Proxy Voting Procedures, the Investment Adviser generally will not seek to vote proxies related to portfolio securities that are on loan, although it may do so under certain circumstances. In addition, the Investment Adviser will vote proxies related to securities of foreign issuers only on a best efforts basis and may elect not to vote at all in certain countries where the Committee determines that the costs associated with voting generally outweigh the benefits. The Committee may at any time override these general policies if it determines that such action is in the best interests of a Fund.

From time to time, the Investment Adviser may be required to vote proxies in respect of an issuer where an affiliate of the Investment Adviser (each, an "Affiliate"), or a money management or other client of the Investment Adviser (each, a "Client") is involved. The Proxy Voting Procedures and the Investment Adviser's adherence to those procedures are designed to address such conflicts of interest. The Committee intends to strictly adhere to the Proxy Voting Procedures in all proxy matters, including matters involving Affiliates and Clients. If, however, an issue representing a non-routine matter that is material to an Affiliate or a widely known Client is involved such that the Committee does not reasonably believe it is able to follow its guidelines (or if the particular proxy matter is not addressed by the guidelines) and vote impartially, the Committee may, in its discretion for the purposes of ensuring that an independent determination is reached, retain an independent fiduciary to advise the Committee on how to vote or to cast votes on behalf of the Investment Adviser's clients.

In the event that the Committee determines not to retain an independent fiduciary, or it does not follow the advice of such an independent fiduciary, the powers of the Committee shall pass to a subcommittee, appointed by the CIO (with advice from the Secretary of the Committee), consisting solely of Committee members selected by the CIO. The CIO shall appoint to the subcommittee, where appropriate, only persons whose job responsibilities do not include contact with the Client and whose job evaluations would not be affected by the Investment Adviser's relationship with the Client (or failure to retain such relationship). The subcommittee shall determine whether and how to vote all proxies on behalf of the Investment Adviser's clients or, if the proxy matter is, in their judgment, akin to an investment decision, to defer to the applicable portfolio managers, provided that, if the subcommittee determines to alter the Investment Adviser's normal voting guidelines or, on matters where the Investment Adviser's policy is case-by-case, does not follow the voting recommendation of any proxy voting service or other independent fiduciary that may be retained to provide research or advice to the Investment Adviser on that matter, no proxies relating to the Client may be voted unless the Secretary, or in the Secretary's absence, the Assistant Secretary of the Committee concurs that the subcommittee's determination is consistent with the Investment Adviser's fiduciary duties

In addition to the general principles outlined above, the Investment Adviser has adopted voting guidelines with respect to certain recurring proxy issues that are not expected to involve unusual circumstances. These policies are guidelines only, and the Investment Adviser may elect to vote differently from the recommendation set forth in a voting guideline if the Committee determines that it is in a Fund's best interest to do so. In addition, the guidelines may be reviewed at any

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

time upon the request of a Committee member and may be amended or deleted upon the vote of a majority of Committee members present at a Committee meeting at which there is a quorum.

The Investment Adviser has adopted specific voting guidelines with respect to the following proxy issues:

- o Proposals related to the composition of the Board of Directors of issuers other than investment companies. As a general matter, the Committee believes that a company's Board of Directors (rather than shareholders) is most likely to have access to important, nonpublic information regarding a company's business and prospects, and is therefore best-positioned to set corporate policy and oversee management. The Committee, therefore, believes that the foundation of good corporate governance is the election of qualified, independent corporate directors who are likely to diligently represent the interests of shareholders and oversee management of the corporation in a manner that will seek to maximize shareholder value over time. In individual cases, the Committee may look at a nominee's history of representing shareholder interests as a director of other companies or other factors, to the extent the Committee deems relevant.
- o Proposals related to the selection of an issuer's independent auditors. As a general matter, the Committee believes that corporate auditors have a responsibility to represent the interests of shareholders and provide an independent view on the propriety of financial reporting decisions of corporate management. While the Committee will generally defer to a corporation's choice of auditor, in individual cases, the Committee may look at an auditors' history of representing shareholder interests as auditor of other companies, to the extent the Committee deems relevant.
- o Proposals related to management compensation and employee benefits. As a general matter, the Committee favors disclosure of an issuer's compensation and benefit policies and opposes excessive compensation, but believes that compensation matters are normally best determined by an issuer's board of directors, rather than shareholders. Proposals to "micro-manage" an issuer's compensation practices or to set arbitrary restrictions on compensation or benefits will, therefore, generally not be supported.
- o Proposals related to requests, principally from management, for approval of amendments that would alter an issuer's capital structure. As a general matter, the Committee will support requests that enhance the rights of common shareholders and oppose requests that appear to be unreasonably dilutive.
- o Proposals related to requests for approval of amendments to an issuer's charter or by-laws. As a general matter, the Committee opposes poison pill provisions.
- o Routine proposals related to requests regarding the formalities of corporate meetings.
- o Proposals related to proxy issues associated solely with holdings of investment company shares. As with other types of companies, the Committee believes that a fund's Board of Directors (rather than its shareholders) is best-positioned to set fund policy and oversee management. However, the Committee opposes granting Boards of Directors authority over certain matters, such as changes to a fund's investment objective, that the Investment Company Act envisions will be approved directly by shareholders.

## Edgar Filing: MUNIVEST FUND INC - Form N-CSR

- o Proposals related to limiting corporate conduct in some manner that relates to the shareholder's environmental or social concerns. The Committee generally believes that annual shareholder meetings are inappropriate forums for discussion of larger social issues, and opposes shareholder resolutions "micromanaging" corporate conduct or requesting release of information that would not help a shareholder evaluate an investment in the corporation as an economic matter. While the Committee is generally supportive of proposals to require corporate disclosure of matters that seem relevant and material to the economic interests of shareholders, the Committee is generally not supportive of proposals to require disclosure of corporate matters for other purposes.

Item 8 - Portfolio Managers of Closed-End Management Investment Companies - Not Applicable at this time

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 - Not Applicable

Item 11 - Controls and Procedures

11(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.

11(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 second fiscal half-year 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 12 - Exhibits attached hereto

12(a) (1) - Code of Ethics - See Item 2

12(a) (2) - Certifications - Attached hereto

12(a) (3) - Not Applicable

12(b) - 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.

MuniVest Fund, Inc.

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

-----  
Robert C. Doll, Jr.,  
Chief Executive Officer of

Edgar Filing: MUNIVEST FUND INC - Form N-CSR

MuniVest Fund, Inc.

Date: October 19, 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 of  
MuniVest Fund, Inc.

Date: October 19, 2005

By: /s/ Donald C. Burke  
-----

Donald C. Burke,  
Chief Financial Officer of  
MuniVest Fund, Inc.

Date: October 19, 2005