

NEUBERGER BERMAN CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC

Form N-CSR

January 07, 2011

As filed with the Securities and Exchange Commission on January 7, 2011

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: 811-21167

NEUBERGER BERMAN CALIFORNIA INTERMEDIATE MUNICIPAL FUND INC.

(Exact Name of the Registrant as Specified in Charter)

c/o Neuberger Berman Management LLC

605 Third Avenue, 2nd Floor

New York, New York 10158-0180

(Address of Principal Executive Offices – Zip Code)

Registrant's telephone number, including area code: (212) 476-8800

Robert Conti, Chief Executive Officer

c/o Neuberger Berman Management LLC

Neuberger Berman California Intermediate Municipal Fund Inc.

605 Third Avenue, 2nd Floor

New York, New York 10158-0180

Arthur C. Delibert, Esq.

K&L Gates LLP

1601 K Street, N.W.

Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31, 2010

Date of reporting period: October 31, 2010

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget (“OMB”) control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The

OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

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Item 1. Report to Stockholders

Neuberger Berman  
Intermediate Municipal  
Closed-End Funds

Neuberger Berman California Intermediate  
Municipal Fund Inc.

Neuberger Berman Intermediate Municipal  
Fund Inc.

Neuberger Berman New York Intermediate  
Municipal Fund Inc.

Annual Report

October 31, 2010

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Contents

<b>THE FUNDS</b>	
President's Letter	1
<b>PORTFOLIO COMMENTARIES</b>	
California Intermediate Municipal Fund Inc.	2
Intermediate Municipal Fund Inc.	2
New York Intermediate Municipal Fund Inc.	2
<b>SCHEDULES OF INVESTMENTS</b>	
California Intermediate Municipal Fund Inc.	7
Intermediate Municipal Fund Inc.	11
New York Intermediate Municipal Fund Inc.	18
<b>FINANCIAL STATEMENTS</b>	
24	
<b>FINANCIAL HIGHLIGHTS/PER SHARE DATA</b>	
California Intermediate Municipal Fund Inc.	37
Intermediate Municipal Fund Inc.	38
New York Intermediate Municipal Fund Inc.	39
Report of Independent Registered Public Accounting Firm	41
Distribution Reinvestment Plan	42
Directory	44
Directors and Officers	45
Proxy Voting Policies and Procedures	55
Quarterly Portfolio Schedule	55
Notice to Shareholders	55
Report of Votes of Shareholders	56
Board Consideration of the Management and Sub-Advisory Agreements	57

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President's Letter

Dear Shareholder,

I am pleased to present this annual report for the Neuberger Berman Intermediate Municipal Closed-End Funds for the fiscal year ended October 31, 2010. The report includes portfolio commentaries, listings of the Funds' investments, and their audited financial statements for the reporting period.

Each Fund's investment objective is to provide a high level of current income exempt from regular federal income tax and, for each state-specific Fund, a high level of current income exempt from that state's personal income taxes (and, in the case of the New York Fund, New York City personal income tax).

We generally invest in intermediate-term municipal bonds because our experience and research indicate strongly that this maturity range has historically offered the best risk/reward profile on the yield curve, providing much of the return of longer-term bonds with less volatility and risk. We believe that our conservative investment philosophy and disciplined investment process will benefit you with superior tax-exempt current income over the long term.

In addition, I would like to provide an update on the Funds' tender offer activities. In February 2009, each Fund's Board of Directors authorized a semi-annual tender offer program consisting of up to four tender offers over a two-year period. Under each program, if a Fund's common shares trade at an average daily discount to net asset value per share (NAV) of greater than 10% during a 12-week measurement period, the Fund would conduct a tender offer for between 5% and 20% of its outstanding common shares at a price equal to 98% of its NAV determined on the day the tender offer expires. As part of the program, and to offset expenses associated with the tender offers, Neuberger Berman Management LLC agreed to voluntarily extend the management fee waivers then in place for each Fund for one year. During the reporting period, each Fund conducted the second and third of its measurement periods under its respective tender offer program. For the Funds' most recent measurement periods ended November 10, 2010, each Fund traded at an average daily discount to NAV of less than 10% and, accordingly, none of the Funds will conduct a tender offer.

Thank you for your confidence in the Funds. We will continue to do our best to earn your confidence and trust in the years to come.

Sincerely,

Robert Conti  
President and CEO  
Neuberger Berman California Intermediate Municipal Fund Inc.  
Neuberger Berman Intermediate Municipal Fund Inc.  
Neuberger Berman New York Intermediate Municipal Fund Inc.

Neuberger Berman Intermediate Municipal Closed-End Funds Portfolio Commentaries (Unaudited)

For the fiscal year ended October 31, 2010, on a net asset value (NAV) basis, all three of the Neuberger Berman closed-end intermediate municipal bond funds posted solid returns and outperformed the Barclays Capital 10-Year Municipal Bond Index.

Even though numerous states and local municipalities continued to face budgetary challenges, the municipal bond market generated solid results during the reporting period. Demand for municipal securities was generally robust as investors looked to generate additional yield given the relatively low interest rate environment. Also supporting the market were low inflation and the falling supply of traditional tax-exempt municipal bonds. The latter was due, in large part, to increased issuance of taxable Build America Bonds (BABs). In many cases, municipalities have preferred to issue BABs because the federal government provides cash subsidy payments equal to 35% of their interest costs.

With investors looking for higher yields, lower-rated investment-grade municipal bonds outperformed their higher-rated counterparts. To illustrate, the Barclays Capital BAA Municipal Bond Index gained 11.2% during the reporting period, while the Barclays Capital AAA Municipal Bond Index returned 5.9%.

The Funds were well positioned for an environment that favored lower-rated municipal bonds. A contributor to the Funds' outperformance was their exposure to lower-tier investment grade municipal bonds and below-investment grade securities. The Funds were also rewarded for their exposure to somewhat longer-term municipal bonds, as these outperformed short-term securities over the period. Finally, the use of leverage was beneficial, as it served to amplify the strong returns in the overall municipal market.

Somewhat detracting from performance was the Funds' yield curve positioning. Throughout the period, we utilized a barbell approach (holding shorter- and longer-term securities) given the steepness of the municipal yield curve. In contrast, the benchmark is concentrated in the eight- to 12-year segment, which was the best-performing portion of the municipal yield curve.

Looking ahead, we continue to have a positive long-term outlook for the municipal market. While the economy is growing at a modest pace, we do not expect it to fall back into a recession. We also believe that demand for municipal securities will remain strong. This could be driven by higher federal, state and local tax rates. In addition, the Federal Reserve has signaled that short-term interest rates could remain low "for an extended period" and, in our view, additional quantitative easing could keep longer-term rates relatively low as well. This could be supportive of continued strong demand for municipal securities. Finally, the municipal market, in our opinion, remains attractively valued when compared to its Treasury counterpart.

That's not to say that we will not experience periods of increased volatility in the municipal market. Based on the results of the midterm elections, there could be less federal government support for financially challenged state and local governments. Less federal assistance, coupled with only a modestly improving economy and relatively weak tax revenues, could result in an increase in municipal bond downgrades. Against this backdrop, we believe that active management and thorough in-house fundamental research on the underlying credit characteristics of our existing and potential holdings will be essential to produce consistently strong risk-adjusted returns.

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California Intermediate Municipal Fund Inc.

For the fiscal year ended October 31, 2010, on a NAV basis, California Intermediate Municipal Fund returned 12.07% compared to the Barclays Capital 10-Year Municipal Bond Index's 8.83%.

As of October 31, 2010, the Fund was composed of 73.4% revenue bonds, 17.0% general obligation bonds, 8.4% pre-refunded/escrowed bonds, and 1.2% cash and cash equivalents. Bonds subject to the Alternative Minimum Tax (AMT) equaled 8.6% of assets. At the close of the reporting period, the Fund's duration was 4.6 years and its leverage position was 41.3% of assets.

Intermediate Municipal Fund Inc.

For the fiscal year ended October 31, 2010, on a NAV basis, Intermediate Municipal Fund returned 11.89% compared to the Barclays Capital 10-Year Municipal Bond Index's 8.83%.

As of October 31, 2010, the Fund was composed of 71.3% revenue bonds, 11.3% general obligation bonds, 15.5% pre-refunded/escrowed bonds, and 1.9% cash and cash equivalents. Bonds subject to the Alternative Minimum Tax (AMT) equaled 7.5% of assets. At the close of the reporting period, the Fund's duration was 5.2 years and its leverage position was 39.1% of assets.

New York Intermediate Municipal Fund Inc.

For the fiscal year ended October 31, 2010, on a NAV basis, New York Intermediate Municipal Fund returned 11.43% compared to the Barclays Capital 10-Year Municipal Bond Index's 8.83%.

As of October 31, 2010, the Fund was composed of 83.5% revenue bonds, 10.5% general obligation bonds, 4.9% pre-refunded/escrowed bonds, and 1.1% cash and cash equivalents. Bonds subject to the Alternative Minimum Tax (AMT) equaled 13.3% of assets. At the close of the reporting period, the Fund's duration was 4.4 years and its leverage position was 39.2% of assets.

Sincerely,

James L. Iselin  
S. Blake Miller  
Portfolio Co-Managers

**TICKER SYMBOLS**

California Intermediate Municipal Fund	NBW
Intermediate Municipal Fund	NBH
New York Intermediate Municipal Fund	NBO

**PERFORMANCE HIGHLIGHTS**

Neuberger Berman

NAV1, 3, 4, 5	Inception Date	Average Annual Total Return Ended 10/31/2010		
		1 Year	5 Years	Life of Fund
California Intermediate Municipal Fund	09/24/2002	12.07%	6.18%	6.23%
Intermediate Municipal Fund	09/24/2002	11.89%	5.83%	6.11%
New York Intermediate Municipal Fund	09/24/2002	11.43%	5.94%	5.97%
Market Price <sup>2, 3, 4, 5</sup>	Inception Date	1 Year	5 Years	Life of Fund
California Intermediate Municipal Fund	09/24/2002	17.34%	6.59%	5.03%
Intermediate Municipal Fund	09/24/2002	20.56%	7.23%	5.38%
New York Intermediate Municipal Fund	09/24/2002	22.54%	7.50%	5.46%

Closed-end funds, unlike open-end funds, are not continually offered. There is an initial public offering and, once issued, common shares of closed-end funds are sold in the open market through a stock exchange.

The composition, industries and holdings of the Funds are subject to change. Investment return will fluctuate. Past performance is no guarantee of future results.

**CALIFORNIA INTERMEDIATE  
MUNICIPAL FUND PORTFOLIO  
BY STATE AND TERRITORY**

(as a % of Total Investments)

Arizona	0.5%
California	86.7
Guam	0.5
Illinois	1.0
Nevada	0.8
New York	1.1
Pennsylvania	1.9
Puerto Rico	7.5
Total	100.0



**NEW YORK INTERMEDIATE  
MUNICIPAL FUND PORTFOLIO  
BY STATE AND TERRITORY**

(as a % of Total Investments)

Arizona	0.4%
California	2.5
Guam	0.4
Illinois	0.7
Nevada	1.0
New York	88.2
Pennsylvania	1.3
Puerto Rico	5.5
Total	100.0

**INTERMEDIATE MUNICIPAL FUND PORTFOLIO BY STATE  
AND TERRITORY**

(as a % of Total Investments)

Alabama	1.0%
Arizona	5.1
California	12.4
Colorado	3.3
District of Columbia	0.3
Florida	0.5
Georgia	1.8
Guam	0.6
Illinois	8.3
Indiana	8.2
Iowa	3.0
Kentucky	0.1
Maryland	0.2
Massachusetts	4.6
Michigan	2.4
Minnesota	2.1
Mississippi	1.0
Missouri	3.9
Nevada	2.4
New Hampshire	1.9%
New Jersey	1.7
New York	5.4
North Carolina	1.5
North Dakota	0.9
Ohio	0.9
Pennsylvania	3.3
Puerto Rico	0.9
South Carolina	0.8
Tennessee	1.4
Texas	8.4
Utah	1.0

Virginia	0.6
Washington	4.1
West Virginia	0.3
Wisconsin	4.1
Wyoming	1.1
Other	0.5
Total	100.0

Endnotes

- 1 Returns based on the net asset value ("NAV") of each Fund.
- 2 Returns based on the market price of Fund shares on the NYSE Amex.
- 3 A portion of the income from each Fund may be a tax preference item for purposes of the Federal Alternative Minimum Tax for certain investors.
- 4 Neuberger Berman Management LLC ("Management") has contractually agreed to waive a portion of the management fees that it is entitled to receive from each Fund. Each undertaking lasts until October 31, 2011. Management has voluntarily extended these waivers for one year. Please see the notes to the financial statements for specific information regarding the rate of the management fees waived by Management. Absent such a waiver, the performance of each Fund would be lower.
- 5 Unaudited performance data current to the most recent month-end are available at [www.nb.com](http://www.nb.com).

## Glossary

**Barclays Capital 10-Year Municipal Bond Index:** An unmanaged index that is the 10-year (8-12) component of the Barclays Capital Municipal Bond Index, which is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must be rated investment-grade, have an outstanding par value of at least \$7 million and be issued as part of a transaction of at least \$75 million. The bonds must be fixed rate, have a dated-date after December 31, 1990, and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark.

Please note that the index does not take into account any fees and expenses or any tax consequences of investing in the individual securities that it tracks and that individuals cannot invest directly in any index. Data about the performance of this index is prepared or obtained by Management and include reinvestment of all income dividends and distributions. The Funds may invest in securities not included in the index.

## Schedule of Investments California Intermediate Municipal Fund Inc.

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
<b>Arizona (0.9%)</b>		
\$ 750	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17	\$ 731
<b>California (145.9%)</b>		
3,120	Abag Fin. Au. Cert. of Participation Rev. (Episcopal Homes Foundation), Ser. 1998, 5.13%, due 7/1/18	3,125B
700	Abag Fin. Au. Rev. (San Diego Hosp. Assoc.), Ser. 2003-C, 5.13%, due 3/1/18	722B
1,250	Alameda Co. Cert. of Participation Ref. Rev., Ser. 2001-A, (National Public Finance Guarantee Corp. Insured), 5.38%, due 12/1/17	1,302
1,285	Bay Area Gov't Assoc. BART SFO Extension Rev. (Arpt. Premium Fare), Ser. 2002-A, (AMBAC Insured), 5.00%, due 8/1/21	1,211
1,750	California Ed. Fac. Au. Ref. Rev. (Stanford Univ.), Ser. 2001-R, 5.00%, due 11/1/21	1,814B
500	California Ed. Fac. Au. Rev. (Scripps College), Ser. 2007, (National Public Finance Guarantee Corp. Insured), 5.00%, due 11/1/15	548B
2,000	California HFA Home Mtge. Rev., Ser. 2006-E, (FGIC Insured), 4.88%, due 2/1/17	2,046
1,530	California HFA Home Mtge. Rev., Ser. 2007-E, 5.00%, due 2/1/42	1,507
2,000	California Hlth. Fac. Fin. Au. Rev. (Catholic Healthcare West), Ser. 2004-I, 4.95%, due 7/1/26 Putable 7/1/14	2,195μB
2,000	California Hlth. Fac. Fin. Au. Rev. (Catholic Healthcare West), Ser. 2009-C, 5.00%, due 7/1/37 Putable 7/2/12	2,119μB
2,000	California Hlth. Fac. Fin. Au. Rev. (Cedars-Sinai Med. Ctr.), Ser. 2005, 5.00%, due 11/15/21	2,111B
1,000	California Infrastructure & Econ. Dev. Bank St. Sch. Fund Apportionment Lease Revenue Bonds (King City Joint Union High Sch. Dist. Fin.), Ser. 2010, 5.13%, due 8/15/24	1,023

500	California Muni. Fin. Au. Ed. Rev. (American Heritage Ed. Foundation Proj.), Ser. 2006-A, 5.00%, due 6/1/16	511B
1,040	California Muni. Fin. Au. Rev. (Loma Linda Univ.), Ser. 2007, 5.00%, due 4/1/21	1,101B
2,500	California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002-A, 5.75%, due 5/1/17 Pre-Refunded 5/1/12	2,726
2,250	California St. G.O., Ser. 2002, 5.00%, due 10/1/17	2,404
100	California St. G.O. (Muni. Sec. Trust Receipts), Ser. 2001-SGA135, (AMBAC Insured), 0.31%, due 12/1/30	100ñµi
1,095	California St. Pub. Works Board Lease Rev. (California Comm. Colleges), Ser. 2004-B, 5.50%, due 6/1/20	1,156
1,000	California St. Pub. Works Board Lease Rev. (Dept. of Gen. Svc.) (Cap. East End), Ser. 2002-A, (AMBAC Insured), 5.25%, due 12/1/16	1,070
2,000	California Statewide CDA Cert. of Participation Rev. (Children's Hosp. Los Angeles), Ser. 1999, 5.13%, due 8/15/19	2,009B
1,340	California Statewide CDA Cert. of Participation Rev. (The Internext Group), Ser. 1999, 5.38%, due 4/1/17	1,344B
1,000	California Statewide CDA Hlth. Fac. Rev. (Adventist Hlth.), Ser. 2005-A, 5.00%, due 3/1/20	1,038B
5,000	California Statewide CDA Hlth. Fac. Rev. (Mem. Hlth. Svcs.), Ser. 2003-A, 6.00%, due 10/1/16	5,442B
1,425	California Statewide CDA Rev. (California Baptist Univ.), Ser. 2007-A, 5.30%, due 11/1/18	1,478B
1,000	California Statewide CDA Rev. (Daughters of Charity Hlth.), Ser. 2005-G, 5.00%, due 7/1/22	991B
1,255	California Statewide CDA Rev. (Sr. Living So. California Presbyterian Homes), Ser. 2009, 6.25%, due 11/15/19	1,373B
1,500	California Statewide CDA Rev. (St. Joseph Hlth. Sys.), Ser. 2000, (National Public Finance Guarantee Corp. Insured), 5.13%, due 7/1/24	1,579B
405	California Statewide CDA Rev. (Valley Care Hlth. Sys.), Ser. 2007-A, 4.80%, due 7/15/17	397B

1,020	Cerritos Pub. Fin. Au. Sub. Tax Allocation Rev. (Cerritos Redev. Proj.), Ser. 2002-B, 4.40%, due 11/1/16	982
1,500	Compton Unified Sch. Dist. Ref. G.O. (Election 2002), Ser. 2006-D, (AMBAC Insured), 0.00%, due 6/1/14	1,373
1,365	Daly City Hsg. Dev. Fin. Agcy. Rev. Ref. (Franciscan Mobile Home Park), Ser. 2007-A, 5.00%, due 12/15/21	1,356B
820	Folsom Pub. Fin. Au. Spec. Tax Rev., Ser. 2007-B, 4.40%, due 9/1/12	822
250	Folsom Pub. Fin. Au. Spec. Tax Rev., Ser. 2007-B, 4.40%, due 9/1/13	257
2,000	Fresno Joint Pwr. Fin. Au. Lease Rev. (Master Lease Proj.), Ser. 2008-A, (Assured Guaranty Insured), 5.00%, due 4/1/23	2,100

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 1,000	Fresno Unified Sch. Dist. Ref. G.O., Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 6.00%, due 2/1/17	\$ 1,153
2,835	Glendale Redev. Agcy. Tax Allocation Rev. (Central Glendale Redev. Proj.), Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.00%, due 12/1/16	2,922
2,480	Glendale Redev. Agcy. Tax Allocation Rev. (Central Glendale Redev. Proj.), Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.25%, due 12/1/17	2,565
2,000	Glendale Redev. Agcy. Tax Allocation Rev. (Central Glendale Redev. Proj.), Ser. 2010, 5.50%, due 12/1/24	2,052
1,245	Long Beach Bond Fin. Au. Tax Allocation Rev. (Downtown, North Long Beach, Poly High, & West Beach Redev. Proj.), Ser. 2002-A, (AMBAC Insured), 5.38%, due 8/1/17 Pre-Refunded 8/1/12	1,349
500	Long Beach Fin. Au. Rev., Ser. 1992, (AMBAC Insured), 6.00%, due 11/1/17	544
4,000	Los Angeles Dept. of Arpts. Rev. (Los Angeles Int'l Arpt.), Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 5.25%, due 5/15/18	4,232
1,500	Los Angeles Harbor Dept. Ref. Rev., Ser. 2001-B, (AMBAC Insured), 5.50%, due 8/1/17	1,554
500	Marin Co. Dixie Elementary Sch. Dist. G.O., Ser. 2000-A, (AGM Insured), 5.38%, due 8/1/17	507
1,045	Marin Co. Muni. Wtr. Dist. Wtr. Ref. Rev., Ser. 2002, (AMBAC Insured), 5.00%, due 7/1/17	1,098
1,070	Mill Valley Sch. Dist. G.O. Cap. Appreciation, Ser. 1994-A, 0.00%, due 8/1/19	740
1,090	Moreland Sch. Dist. Ref. G.O., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.13%, due 9/1/17	1,137
1,000	Mountain House Pub. Fin. Au. Utils. Sys. Rev., Ser. 2007, 5.00%, due 12/1/22	961
535	Nevada & Placer Cos. Irrigation Dist. Cert. of Participation Rev., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.00%, due 1/1/16	562



	Nevada & Placer Cos. Irrigation Dist. Cert. of Participation Rev., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.00%, due 1/1/17	592
565		
500	Northstar Comm. Svcs. Dist. Spec. Tax (Comm. Facs. Dist. Number 1), Ser. 2006, 4.70%, due 9/1/18	446
500	Northstar Comm. Svcs. Dist. Spec. Tax (Comm. Facs. Dist. Number 1), Ser. 2006, 4.75%, due 9/1/19	441
1,045	Oakland G.O., Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 5.00%, due 1/15/15	1,092
1,210	Oakland G.O., Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 5.00%, due 1/15/18	1,256
605	Oakland Redev. Agcy. Rev. (Coliseum Area Redev. Proj.), Ser. 2003, 5.00%, due 9/1/16 Pre-Refunded 3/1/13	668
635	Oakland Redev. Agcy. Rev. (Coliseum Area Redev. Proj.), Ser. 2003, 5.00%, due 9/1/17 Pre-Refunded 3/1/13	701
1,290	Oakland Redev. Agcy. Sub. Tax Allocation Rev. (Central Dist. Redev. Proj.), Ser. 2003, (National Public Finance Guarantee Corp. Insured), 5.50%, due 9/1/17	1,334
1,445	Oceanside Cert. of Participation Ref. Rev., Ser. 2003-A, (AMBAC Insured), 5.25%, due 4/1/14	1,537
1,500	Pico Rivera Pub. Fin. Au. Lease Rev., Ser. 2009, 4.75%, due 9/1/25	1,528
3,890	Port of Oakland Ref. Rev., Ser. 2002-N, (National Public Finance Guarantee Corp. Insured), 5.00%, due 11/1/13	4,085
440	Roseville Stone Point Comm. Fac. Dist. Number 1 Special Tax Rev., Ser. 2003, 5.70%, due 9/1/17	438
1,000	Sacramento City Fin. Au. Ref. Rev. (Master Lease Prog. Facs.), Ser. 2006-E, (AMBAC Insured), 5.25%, due 12/1/24	1,066
400	Sacramento Co. Sanitation Dist. Fin. Au. Rev., Ser. 2000-A, 5.60%, due 12/1/17	401
2,600	Sacramento Muni. Utils. Dist. Elec. Rev., Ser. 1997-K, (AMBAC Insured), 5.70%, due 7/1/17	3,104
1,350	San Bernardino Comm. College Dist. G.O. (Election 2002), Ser. 2008-A, 6.25%, due 8/1/24	1,624
400	San Diego Pub. Facs. Fin. Au. Lease Rev. (Ballpark), Ser. 2007-A, (AMBAC Insured), 5.25%, due 2/15/19	435ñ
830	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003-B, 4.80%, due 9/1/15	835
820	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003-B, 4.90%, due 9/1/16	823
2,000	San Diego Unified Sch. Dist. G.O. (Election 1998), Ser. 2002-D, (FGIC Insured), 5.25%, due 7/1/21	2,165
1,000	San Francisco City & Co. Arpts. Commission Int'l Arpt. Ref. Rev., Ser. 2009-C2, 5.00%, due 5/1/21	1,094

1,000	San Francisco City & Co. Redev. Fin. Au. Tax Allocation (Mission Bay North Redev.), Ser. 2009-C, 5.50%, due 8/1/22	1,050
2,115	San Francisco City & Co. Redev. Fin. Au. Tax Allocation (San Francisco Redev. Proj.), Ser. 2003-B, (National Public Finance Guarantee Corp. Insured), 5.25%, due 8/1/18	2,197
500	San Jose Arpt. Ref. Rev., Ser. 2003-B, (AGM Insured), 5.00%, due 3/1/11	507
1,615	San Jose Arpt. Ref. Rev., Ser. 2003-B, (AGM Insured), 5.00%, due 3/1/12	1,699
925	San Jose Multi-Family Hsg. Rev. (Fallen Leaves Apts. Proj.), Ser. 2002-J1, (AMBAC Insured), 4.95%, due 12/1/22	910B

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 1,900	San Jose Redev. Agcy. Tax Allocation Ref. (Merged Area Redev. Proj.), Ser. 2006-D, (AMBAC Insured), 5.00%, due 8/1/18	\$ 2,052
1,060	San Jose Redev. Agcy. Tax Allocation Ref. (Merged Area Redev. Proj.), Ser. 2006-D, (AMBAC Insured), 5.00%, due 8/1/21	1,118
1,000	San Rafael City High Sch. Dist. G.O. Cap. Appreciation (Election 2002), Ser. 2004-B, (National Public Finance Guarantee Corp. Insured), 0.00%, due 8/1/18	739
1,390	San Rafael Redev. Agcy. Tax Allocation Ref. (Central San Rafael Redev. Proj.), Ser. 2009, (Assured Guaranty Insured), 5.00%, due 12/1/21	1,551
1,620	Santa Clara Co. Fremont Union High Sch. Dist. G.O. (Election 1998), Ser. 2002-C, (AGM Insured), 5.00%, due 9/1/20 Pre-Refunded 9/1/12	1,756
485	Santa Maria Bonita Sch. Dist. Cert. of Participation (Cap. Imp. & Ref. Proj.), Ser. 1998, (National Public Finance Guarantee Corp. Insured), 5.00%, due 3/1/14	486
525	Sierra View Local Hlth. Care Dist. Rev., Ser. 2007, 4.40%, due 7/1/13	547
505	Sierra View Local Hlth. Care Dist. Rev., Ser. 2007, 4.50%, due 7/1/14	529
3,405	Solano Co. Cert. of Participation Rev., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.25%, due 11/1/17 Pre-Refunded 11/1/12	3,722
655	South Gate Pub. Fin. Au. Tax Allocation Rev. (South Gate Redev. Proj. Number 1), Ser. 2002, (XLCA Insured), 5.00%, due 9/1/16	668

1,250	Sunnyvale Sch. Dist. G.O. (Election 2004), Ser. 2005-A, (AGM Insured), 5.00%, due 9/1/21	1,409
1,300	Tulare Local Hlth. Care Dist., Ser. 2007, 5.00%, due 11/1/20	1,321
3,000	Victor Valley Comm. College Dist. G.O. Cap. Appreciation (Election 2008), Ser. 2009-C, 0.00%, due 8/1/37	1,954f
		122,588
Guam (0.8%)		
700	Guam Gov't Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2005, 5.50%, due 7/1/16	731
Illinois (1.7%)		
910	Bartlett Tax Increment Ref. Rev. (Quarry Redev. Proj.), Ser. 2007, 5.35%, due 1/1/17	893
500	Illinois Fin. Au. Rev. (Navistar Int'l Rec. Zone Fac.), Ser. 2010, 6.50%, due 10/15/40	520B
		1,413
Nevada (1.4%)		
1,000	Las Vegas Redev. Agcy. Tax Increment Rev., Ser. 2009-A, 7.50%, due 6/15/23	1,166
New York (1.8%)		
1,000	Nassau Co. IDA Continuing Care Retirement (The Amsterdam Harborside), Ser. 2007-A, 5.88%, due 1/1/18	1,039B
500	New York City IDA Liberty Rev. (7 World Trade Ctr., LLC Proj.), Ser. 2005-A, 6.25%, due 3/1/15	505B
		1,544
Pennsylvania (3.1%)		
1,000	Cumberland Co. West Shore Area Au. Hosp. Rev. (Holy Spirit Hosp. of the Sisters of Christian Charity Proj.), Ser. 2001, 6.00%, due 1/1/18	1,018B
2,000	Pennsylvania St. Turnpike Commission Turnpike Rev. (Cap. Appreciation), Subser. 2010-B2, 0.00%, due 12/1/34	1,580a
		2,598
Puerto Rico (12.6%)		
1,500	Puerto Rico Elec. Pwr. Au. Pwr. Ref. Rev., Ser. 2007-VV, 5.50%, due 7/1/20	1,720
1,000		1,026

	Puerto Rico Elec. Pwr. Au. Pwr. Rev., Ser. 2010-XX, 5.25%, due 7/1/35	
1,000	Puerto Rico Ind., Tourist, Ed., Med. & Env. Ctrl. Fac. Rev. (Polytechnic Univ. of Puerto Rico Proj.), Ser. 2002-A, (ACA Insured), 5.25%, due 8/1/15	1,031 $\beta$
3,000	Puerto Rico Muni. Fin. Agcy. Rev., Ser. 2002-A, (AGM Insured), 5.25%, due 8/1/17	3,143
1,000	Puerto Rico Muni. Fin. Agcy. Rev., Ser. 2002-A, (AGM Insured), 5.25%, due 8/1/21	1,023

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 1,500	Puerto Rico Sales Tax Fin. Corp. Sales Tax Rev., Subser. 2009-A, 5.00%, due 8/1/24	\$ 1,584
1,000	Puerto Rico Sales Tax Fin. Corp. Sales Tax Rev., Subser. 2009-A, 5.00%, due 8/1/39 Pre-Refunded 8/1/11	1,035μ
		10,562
	Total Investments (168.2%) (Cost \$136,383)	141,333##
	Cash, receivables and other assets, less liabilities (2.0%)	1,673
	Liquidation Value of Auction Market Preferred Shares [(70.2%)]	(59,000)
	Total Net Assets Applicable to Common Shareholders (100.0%)	\$ 84,006

Notes to Schedule of Investments

## Schedule of Investments Intermediate Municipal Fund Inc.

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
<b>Alabama (1.6%)</b>		
\$ 4,210	DCH Hlth. Care Au. Hlth. Care Fac. Rev., Ser. 2002, 5.25%, due 6/1/14	\$ 4,383
<b>Arizona (8.3%)</b>		
1,465	Arizona Energy Management Svcs. (Main) LLC Energy Conservation Rev. (Arizona St. Univ. Proj.-Main Campus), Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.25%, due 7/1/17	1,535B
5,000	Arizona Sch. Fac. Board Cert. of Participation, Ser. 2008, (Assured Guaranty Insured), 5.13%, due 9/1/21	5,361
2,265	Arizona Wtr. Infrastructure Fin. Au. Rev. (Wtr. Quality), Ser. 2008-A, 5.00%, due 10/1/22	2,590
5,730	Mohave Co. Ind. Dev. Au. Correctional Fac. Contract Rev. (Mohave Prison LLC Expansion Proj.), Ser. 2008, 7.50%, due 5/1/19	6,600B
1,840	Pinal Co. Cert. of Participation, Ser. 2004, 5.25%, due 12/1/18	1,968
1,155	Pinal Co. Cert. of Participation, Ser. 2004, 5.25%, due 12/1/22	1,203
1,750	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17	1,707
2,325	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2006, 5.05%, due 7/15/18	2,078
		23,042
<b>California (20.1%)</b>		
2,290	California HFA Rev. (Home Mtge.), Ser. 2007-E, 5.00%, due 2/1/42	2,256
2,250	California Hlth. Fac. Fin. Au. Rev. (Cedars-Sinai Med. Ctr.), Ser. 2009, 5.00%, due 8/15/39	2,259B
1,725	California Infrastructure & Econ. Dev. Bank St. Sch. Fund (King City Joint Union High Sch.), Ser. 2010, 5.13%, due 8/15/24	1,765
1,955	California St. G.O., Ser. 2003,	2,085

	(AMBAC Insured), 5.00%, due 2/1/27	
1,685	California St. G.O., Ser. 2007, (XLCA Insured), 4.50%, due 8/1/27	1,681
1,845	California St. G.O., Ser. 2005, 5.00%, due 3/1/19	2,003
1,950	California St. G.O. (Muni. Sec. Trust Receipts), Ser. 2001-SGA135, (AMBAC Insured), 0.31%, due 12/1/30	1,950 <sup>mi</sup>
1,500	California St. Pub. Works Board Lease Rev. (Dept. of Gen. Svcs. Cap East End), Ser. 2002-A, (AMBAC Insured), 5.25%, due 12/1/17	1,595
4,000	California St. Var. Purp. G.O., Ser. 2009, 5.63%, due 4/1/25	4,427
1,240	California Statewide CDA Hlth. Fac. Rev. (Mem. Hlth. Svcs.), Ser. 2003-A, 6.00%, due 10/1/16	1,350 <sup>B</sup>
1,210	California Statewide CDA Rev. (California Baptist Univ.), Ser. 2007-A, 5.30%, due 11/1/18	1,255 <sup>B</sup>
3,000	Cerritos Pub. Fin. Au. Rev. (Tax Allocation Redev. Proj.), Ser. 2002-A, (AMBAC Insured), 5.00%, due 11/1/19	3,204
2,220	Golden St. Tobacco Securitization Corp. Tobacco Settlement Rev., Ser. 2003-A1, 6.25%, due 6/1/33	2,452
3,620	Norwalk-La Mirada Unified Sch. Dist. G.O. Cap. Appreciation, Ser. 2005-B, (AGM Insured), 0.00%, due 8/1/24	1,750
5,750	Norwalk-La Mirada Unified Sch. Dist. G.O. Cap. Appreciation (Election 2002), Ser. 2009-E, (Assured Guaranty Insured), 0.00%, due 8/1/29	3,232 <sup>b</sup>
2,080	Oakland Redev. Agcy. Sub. Tax Allocation Rev. (Central Dist. Redev. Proj.), Ser. 2003, (National Public Finance Guarantee Corp. Insured), 5.50%, due 9/1/18	2,146
5,000	Redondo Beach Unified Sch. Dist. G.O., Ser. 2009, 0.00%, due 8/1/34	3,905 <sup>c</sup>
2,060	Rocklin Unified Sch. Dist. G.O. Cap. Appreciation, Ser. 1994-B, (National Public Finance Guarantee Corp. Insured),	1,425



	0.00%, due 8/1/19	
	San Bernardino Comm. College Dist. G.O. Cap. Appreciation (Election), Ser. 2009-B,	
2,000	0.00%, due 8/1/34	1,269d
	San Diego Redev. Agcy. Sub. Parking Rev. (Centre City Redev. Proj.), Ser. 2003-B, 5.00%, due 9/1/17	
740		744
	San Francisco City & Co. Arpt. Commission Int'l Arpt. Ref. Rev., Ser. 2009-C2, 5.00%, due 5/1/25	
2,000		2,137
	San Mateo Foster City Sch. Dist. G.O. Cap. Appreciation (Election 2008), Ser. 2010-A,	
6,000	0.00%, due 8/1/32	3,022e
	Victor Valley Comm. College Dist. G.O. Cap. Appreciation (Election 2008), Ser. 2009-C,	
9,070	0.00%, due 8/1/37	5,908f
	Victor Valley Joint Union High Sch. Dist. G.O. Cap. Appreciation Bonds, Ser. 2009, (Assured Guaranty Insured), 0.00%, due 8/1/26	
5,095		2,129
		55,949

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
<b>Colorado (5.4%)</b>		
\$ 4,220	Colorado Springs Utils. Sys. Sub. Lien Ref. Rev., Ser. 2002-A, (AMBAC Insured), 5.38%, due 11/15/18	\$ 4,568
1,030	Denver City & Co. Arpt. Sys. Ref. Rev., Ser. 1991-D, (XLCA Insured), 7.75%, due 11/15/13	1,117
4,000	Denver City & Co. Arpt. Sys. Ref. Rev., Ser. 2002-E, (National Public Finance Guarantee Corp. Insured), 5.25%, due 11/15/14	4,264
4,610	Thornton Cert. of Participation, Ser. 2002, (AMBAC Insured), 5.38%, due 12/1/16 Pre-Refunded 12/1/12	5,070
		15,019
<b>District of Columbia (0.4%)</b>		
1,000	Metro. Washington Dist. of Columbia Arpt. Au. Sys., Ser. 2008-A, 5.50%, due 10/1/18	1,156
<b>Florida (0.9%)</b>		
1,000	Hillsborough Co. Ind. Dev. Au. IDR (Hlth. Facs.), Ser. 2008-B, 8.00%, due 8/15/32 Pre-Refunded 8/15/19	1,421B
1,000	Sarasota Co. Util. Sys. Ref. Rev., Ser. 2002-C, (National Public Finance Guarantee Corp. Insured), 5.25%, due 10/1/20	1,059
		2,480
<b>Georgia (2.9%)</b>		
4,575	Henry Co. Wtr. & Swr. Au. Ref. Rev., Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 5.13%, due 2/1/17	5,014
2,710	Newnan Hosp. Au. Rev. Anticipation Cert. (Newnan Hosp., Inc. Proj.), Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.50%, due 1/1/18 Pre-Refunded 1/1/13	2,997B
		8,011

<b>Guam (1.0%)</b>		
2,550	Guam Gov't Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2005, 6.00%, due 7/1/25	2,660
<b>Illinois (13.4%)</b>		
5,365	Bartlett Sr. Lien Tax Increment Ref. Rev. (Quarry Redev. Proj.), Ser. 2007, 5.35%, due 1/1/17	5,263
180	Chicago G.O. (Unrefunded Bal.), Ser. 2002-A, (AMBAC Insured), 5.38%, due 1/1/17	194
1,500	Chicago Metro. Wtr. Reclamation Dist. Cap. Imp. G.O., Ser. 2002-C, 5.38%, due 12/1/16 Pre-Refunded 12/1/12	1,653
1,970	Cook Co. Township High Sch. Dist. Number 225 Northfield Township, Ser. 2008, 5.00%, due 12/1/25	2,212
5,130	Illinois Ed. Fac. Au. Rev. (Field Museum of Natural History), Ser. 2002, 4.30%, due 11/1/36 Putable 11/1/13	5,393µB
1,875	Illinois Fin. Au. Ref. Rev. (Roosevelt Univ. Proj.), Ser. 2009, 5.00%, due 4/1/16	2,027B
4,000	Illinois Fin. Au. Ref. Rev. (Roosevelt Univ. Proj.), Ser. 2009, 5.75%, due 4/1/24	4,315B
4,000	Illinois Fin. Au. Rev. (Clare Oaks Proj.), Ser. 2006-A, 5.75%, due 11/15/16	3,116B
5,840	Illinois Fin. Au. Rev. (Provena Hlth.), Ser. 2010-A, 6.25%, due 5/1/22	6,354B
3,000	Illinois Hlth. Fac. Au. Rev. (Loyola Univ. Hlth. Sys.) (Unrefunded Bal.), Ser. 1997-A, (National Public Finance Guarantee Corp. Insured), 6.00%, due 7/1/14	3,262B
1,670	Illinois Metro. Pier & Exposition Au. Dedicated St. Tax Ref. Rev., Ser. 1998-A, (FGIC Insured), 5.50%, due 6/15/17	2,038
1,600	Romeoville IL Rev. (Lewis Univ.), (LOC: JP Morgan Chase), 0.28%, due 10/1/36	1,600µB
		37,427
<b>Indiana (13.3%)</b>		
4,000	Indiana Bond Bank Rev. (Spec. Prog. Clark Mem. Hosp.), Ser. 2009-D, 5.50%, due 8/1/29	4,270B
8,535		9,532

	Indiana Bond Bank Rev. (St. Revolving Fund Prog.), Ser. 2001-A, 5.38%, due 2/1/17 Pre-Refunded 2/1/13	
3,240	Indiana Bond Bank Rev. (St. Revolving Fund Prog.), Ser. 2002-B, 5.25%, due 2/1/18 Pre-Refunded 2/1/13	3,582
965	Indiana Bond Bank Rev. (Unrefunded Bal. St. Revolving Fund Prog.), Ser. 2001-A, 5.38%, due 2/1/17	1,056
320	Indiana Bond Bank Rev. (Unrefunded Bal. St. Revolving Fund Prog.), Ser. 2002-B, 5.25%, due 2/1/18	343

See Notes to Schedule of Investments

PRINCIPAL AMOUNT (000's omitted)	SECURITY@	VALUE† (000's omitted)
\$ 4,000	Indiana Hlth. & Ed. Fac. Fin. Au. Hosp. Ref. Rev. (Clarian Hlth. Oblig. Group), Ser. 2006-B, 5.00%, due 2/15/21	\$ 4,137B
2,050	Indiana Hlth. Fac. Fin. Au. Rev. (Hlth. Sys. Sisters of St. Francis), Ser. 2001, 5.35%, due 11/1/15	2,139B
1,000	Indiana Muni. Pwr. Agcy. Pwr. Supply Sys. Rev., Ser. 2003-B, (National Public Finance Guarantee Corp. Insured), 5.25%, due 1/1/18	1,078
1,065	Indiana St. Recreational Dev. Comm. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 7/1/18	1,131
1,125	Indiana St. Recreational Dev. Comm. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 7/1/19	1,191
3,055	Indiana Trans. Fin. Au. Hwy. Ref. Rev., Ser. 2004-B, (National Public Finance Guarantee Corp. Insured), 5.75%, due 12/1/21	3,829
2,580	Indianapolis Local Pub. Imp. Rev. (Indianapolis Arpt. Au. Proj.), Ser. 2003-A, (AGM Insured), 5.63%, due 1/1/17	2,712
2,000	Jasper Hosp. Au. Hosp. Fac. Ref. Rev. (Mem. Hosp. & Hlth. Care Ctr. Proj.), Ser. 2002, (Radian Insured), 5.50%, due 11/1/17	2,042B
		37,042
Iowa (4.9%)		
1,000	Coralville Urban Renewal Rev., Tax Increment, Ser. 2007-C, 5.00%, due 6/1/15	1,095
5,110	Iowa Fin. Au. Rev. (St. Revolving Fund Prog.), Ser. 2008, 5.50%, due 8/1/22	5,952
2,750	Iowa Std. Loan Liquidity Corp. Std. Loan Rev., Ser. 2009-3, 5.50%, due 12/1/19	2,951
2,535	Iowa Tobacco Settlement Au. Tobacco Settlement Asset-Backed Rev., Ser.	2,631

	2001-B, 5.30%, due 6/1/25 Pre-Refunded 6/1/11 Kirkwood Comm. College Iowa New Jobs Training Cert. G.O. (Merged Area X), Ser. 2007-1B, 5.00%, due 6/1/17	1,091
		13,720
Kentucky (0.1%)		
380	Shelby Co. Lease Rev., Ser. 2004-A, (LOC: U.S. Bank), 0.27%, due 9/1/34	380 $\mu$
Maryland (0.4%)		
1,000	Maryland St. Hlth. & Higher Ed. Fac. Au. Rev. (Union Hosp. of Cecil Co.), Ser. 2002, 5.50%, due 7/1/14	1,053 $\beta$
Massachusetts (7.5%)		
1,850	Massachusetts St. G.O., Ser. 2002-E, (National Public Finance Guarantee Corp. Insured), 5.38%, due 1/1/18 Pre-Refunded 1/1/13	2,036
2,000	Massachusetts St. G.O., Ser. 2006-B, (LOC: Bank of America), 0.29%, due 3/1/26	2,000 $\mu$
1,740	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (Caritas Christi Oblig. Group), Ser. 1999-A, 5.70%, due 7/1/15	1,752 $\beta$
1,525	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (Milford-Whitinsville Reg. Hosp.), Ser. 1998-C, 5.75%, due 7/15/13	1,527 $\beta$
4,935	Massachusetts St. Hlth. & Ed. Fac. Au. Rev. (New England Med. Ctr. Hosp.), Ser. 2002-H, (FGIC Insured), 5.38%, due 5/15/16 Pre-Refunded 5/15/12	5,303 $\beta$
5,030	Massachusetts St. Wtr. Poll. Abatement Trust Rev. (MWRA Prog.), Ser. 2002-A, 5.25%, due 8/1/19	5,363
2,775	Massachusetts St. Wtr. Poll. Abatement Trust Rev. (Unrefunded Bal. Rev. Pool Prog.), Ser. 2001-7, 5.25%, due 2/1/16	2,865
		20,846
Michigan (3.9%)		
1,000	Lakewood Pub. Sch. G.O. (Putters), Ser. 2008-2624Z, (AGM Insured), 0.29%, due 5/1/15	1,000 $\mu$ h
1,375	Macomb Co. New Haven Comm. Sch. Bldg. & Site G.O., Ser. 2002, 5.25%, due 5/1/17 Pre-Refunded 11/1/12	1,502
2,000		2,059

	Oakland Co. Econ. Dev. Corp. Ltd. Oblig. Rev. (Michigan Motion Picture Studios Proj. Recovery Zone), Ser. 2010-A, 7.00%, due 8/1/40	
3,850	Royal Oak Hosp. Fin. Au. Hosp. Ref. Rev. (William Beaumont Hosp.), Ser. 1996, 6.25%, due 1/1/12	4,039B
2,000	Summit Academy North Pub. Sch. Academy Ref. Rev., Ser. 2005, 5.25%, due 11/1/20	1,715
670	Summit Academy Pub. Sch. Academy Ref. Rev., Ser. 2005, 6.00%, due 11/1/15	673
		10,988

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
<b>Minnesota (3.4%)</b>		
\$ 2,000	Freeborn Co. Hsg. & Redev. Au. Lease Rev. (Criminal Justice Ctr. Proj.), Ser. 2002, 5.38%, due 2/1/17	\$ 2,050
2,000	Maple Grove Hlth. Care Sys. Rev. (Maple Grove Hosp. Corp.), Ser. 2007, 5.00%, due 5/1/17	2,212B
2,250	Minneapolis & St. Paul Hsg. & Redev. Au. Hlth. Care Sys. (Children's Hlth. Care Facs.), Ser. 2010-A1, (AGM Insured), 4.50%, due 8/15/24	2,429B
2,540	St. Paul Port Au. Lease Rev. (Office Bldg.), Ser. 2002, 5.00%, due 12/1/17	2,727
		9,418
<b>Mississippi (1.7%)</b>		
4,000	Mississippi Bus. Fin. Corp. Gulf Opportunity Zone Rev., Ser. 2009-A, 4.70%, due 5/1/24	4,064B
500	Mississippi Dev. Bank Spec. Oblig. (Wilkinson Co. Correctional), Ser. 2008-D, 5.00%, due 8/1/15	588B
		4,652
<b>Missouri (6.3%)</b>		
3,495	Bi State Dev. Agcy. Metro. Dist. Rev. (Metrolink Cross Co. Proj.), Ser. 2002-B, (AGM Insured), 5.25%, due 10/1/16	3,801
1,860	Boone Co. Hosp. Ref. Rev. (Boone Hosp. Ctr.), Ser. 2002, 5.05%, due 8/1/20	1,887B
2,425	Branson Dev. Fin. Board Infrastructure Fac. Board Rev., Ser. 2003-A, 5.00%, due 12/1/17	2,466
605	Branson Ind. Dev. Au. Tax Increment Rev. (Branson Landing-Retail Proj.), Ser. 2005, 5.25%, due 6/1/21	529
1,250	Missouri St. Env. Imp. & Energy Res. Au. Wtr. PCR (Drinking Wtr.), Ser. 2002-B, 5.50%, due 7/1/16 Pre-Refunded 1/1/13	1,384
750	Missouri St. Env. Imp. & Energy Res.	820



	Au. Wtr. PCR (Unrefunded Bal. Drinking Wtr.), Ser. 2002-B, 5.50%, due 7/1/16	
2,275	Missouri St. Hlth. & Ed. Fac. Au. Rev. (Children's Mercy Hosp.), Ser. 2009, 5.13%, due 5/15/24	2,404B
900	Missouri St. Hlth. & Ed. Fac. Au. Rev. (Washington Univ.), Ser. 2004-A, (LOC: Wells Fargo Bank), 0.27%, due 2/15/34	900µB
245	Missouri St. Hsg. Dev. Comm. Multi-Family Hsg. Rev., Ser. 2001-II, (FHA Insured), 5.25%, due 12/1/16	248g
110	Missouri St. Hsg. Dev. Comm. Multi-Family Hsg. Rev., Ser. 2001-III, (FHA Insured), 5.05%, due 12/1/15	111
2,965	Missouri St. Univ. Auxiliary Enterprise Sys. Rev., Ser. 2007-A, (XLCA Insured), 5.00%, due 4/1/26	3,135
		17,685
Nevada (3.8%)		
1,635	Las Vegas Redev. Agcy. Tax Increment Rev., Ser. 2009-A, 6.50%, due 6/15/17	1,844
3,545	Las Vegas Redev. Agcy. Tax Increment Rev., Ser. 2009-A, 7.50%, due 6/15/23	4,135
4,355	Las Vegas Valley Wtr. Dist. Ref. & Wtr. Imp. G.O., Ser. 2003-A, (National Public Finance Guarantee Corp. Insured), 5.25%, due 6/1/16	4,717
		10,696
New Hampshire (3.0%)		
2,600	New Hampshire Hlth. & Ed. Fac. Au. Rev. (Dartmouth-Hitchcock Clinic), Ser. 2009, 5.00%, due 8/1/19	2,712B
1,700	New Hampshire Hlth. & Ed. Fac. Au. Rev. (Univ. Sys. of New Hampshire) (Unrefunded Bal.), Ser. 2001, (AMBAC Insured), 5.38%, due 7/1/17	1,765B
4,000	Strafford Co. G.O. (TANS), Ser. 2010-A, 6.50%, due 12/31/10	4,006
		8,483
New Jersey (2.8%)		
6,900	New Jersey Ed. Fac. Au. Rev. (Stevens Institute of Technology), Ser. 2002-C, 5.25%, due 7/1/17 Pre-Refunded 7/1/13	7,720B
New York (8.8%)		
605	Lyons Comm. Hlth. Initiatives Corp. Fac. Rev., Ser. 2004, 5.50%, due 9/1/14	646
3,250	New York City G.O., Ser. 2002-C, 5.50%, due 8/1/15	3,585

2,580	New York City IDA Civic Fac. Rev. (Lycee Francais de New York Proj.), Ser. 2002-A, (ACA Insured), 5.50%, due 6/1/14	2,745B
2,750	New York City IDA Liberty Rev. (7 World Trade Ctr., LLC Proj.), Ser. 2005-A, 6.25%, due 3/1/15	2,778B

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 1,000	New York City Transitional Fin. Au. (NYC Recovery), Subser. 2002-3F, (LOC: Royal Bank of Canada), 0.25%, due 11/1/22	\$ 1,000μ
1,100	New York Liberty Dev. Corp. Rev. (Nat'l Sports Museum Proj.), Ser. 2006-A, 6.13%, due 2/15/19	3#‡
1,700	New York St. Dorm. Au. Personal Income Tax Rev., Ser. 2003-A, 5.38%, due 3/15/20 Pre-Refunded 3/15/13	1,894
4,000	New York St. Dorm. Au. Rev. Non St. Supported Debt (Mount Sinai Sch. of Medicine), Ser. 2009, 5.25%, due 7/1/33	4,169B
2,000	New York St. HFA Rev. (Affordable Hsg.), Ser. 2009-B, 4.85%, due 11/1/41	2,011
2,000	New York St. Urban Dev. Corp. Rev., Ser. 2008-D, 5.25%, due 1/1/20	2,324
3,000	Tobacco Settlement Fin. Corp., Ser. 2003-B-1C, 5.50%, due 6/1/21	3,273
		24,428
North Carolina (2.4%)		
5,250	North Carolina Muni. Pwr. Agcy. Number 1 Catawba Elec. Rev., Ser. 2009-A, 5.00%, due 1/1/26	5,692
1,000	Oak Island Enterprise Sys. Rev., Ser. 2009, (Assured Guaranty Insured), 5.63%, due 6/1/24	1,083
		6,775
North Dakota (1.5%)		
4,100	Fargo Hlth. Sys. Rev. (Meritcare Obligated Group), Ser. 2002-A, (AMBAC Insured), 5.63%, due 6/1/17	4,223B
Ohio (1.4%)		
3,760	Ohio St. Air Quality Dev. Au. Env. Imp. Ref. Rev. (USX Corp. Proj.), Ser. 1995, 5.00%, due 11/1/15 Putable 11/1/11	3,864μB
Pennsylvania (5.4%)		
1,765	Cumberland Co. West Shore Area Au.	1,793B

	Hosp. Rev. (Holy Spirit Hosp. of the Sisters of Christian Charity Proj.), Ser. 2001, 6.05%, due 1/1/19	
565	Delaware River Joint Toll Bridge Comm. Sys. Rev., Ser. 2003, 5.25%, due 7/1/18 Pre-Refunded 7/1/13	634
435	Delaware River Joint Toll Bridge Comm. Sys. Rev. (Unrefunded Bal.), Ser. 2003, 5.25%, due 7/1/18	462
2,000	Lancaster Co. Hosp. Au. Rev. (Brethren Village Proj.), Ser. 2008-A, 6.10%, due 7/1/22	2,036B
5,000	Montgomery Co. Higher Ed. & Hlth. Au. Hosp. Rev. (Abington Mem. Hosp. Proj.), Ser. 2002-A, 5.00%, due 6/1/19	5,110B
1,000	Pennsylvania St. Turnpike Commission Turnpike Rev. (Cap. Appreciation), Subser. 2010-B2, 0.00%, due 12/1/34	790a
2,000	Philadelphia Arpt. Ref. Rev. (Philadelphia Arpt. Sys.), Ser. 1998, (National Public Finance Guarantee Corp. Insured), 5.38%, due 6/15/14	2,006
1,480	Sayre Hlth. Care Fac. Au. Rev., (Guthrie Hlth. Proj.), Ser. 2002-A, 5.75%, due 12/1/21 Pre-Refunded 12/1/11	1,580B
520	Sayre Hlth. Care Fac. Au. Rev. (Unrefunded Bal.), (Guthrie Hlth. Proj.), Ser. 2002-A, 5.75%, due 12/1/21	535B
		14,946
Puerto Rico (1.4%)		
750	Puerto Rico Elec. Pwr. Au. Pwr. Rev., Ser. 2010-XX, 5.25%, due 7/1/35	770
3,000	Puerto Rico Sales Tax Fin. Corp. Sales Tax Rev., Subser. 2009-A, 5.00%, due 8/1/39 Pre-Refunded 8/1/11	3,104μ
		3,874
South Carolina (1.2%)		
1,100	Charleston Co. Sch. Dist. G.O., Ser. 2001, (AGM Insured), 5.00%, due 2/1/18 Pre-Refunded 2/1/12	1,164
2,140	Mt. Pleasant Town Waterworks & Swr. Sys. Ref. & Imp. Rev., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.25%, due 12/1/17	2,308
		3,472
Tennessee (2.2%)		

1,655	Knox Co. Hlth. Ed. & Hsg. Fac. Board Hosp. Fac. Rev., Ser. 2002-A, (AGM Insured), 5.50%, due 1/1/18 Pre-Refunded 1/1/13	1,828
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See Notes to Schedule of Investments

15

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PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 1,360	Knox Co. Hlth. Ed. & Hsg. Fac. Board Hosp. Fac. Rev. (Unrefunded Bal.), Ser. 2002-A, (AGM Insured), 5.50%, due 1/1/18	\$ 1,418
2,705	Memphis-Shelby Co. Arpt. Au. Arpt. Rev., Ser. 2010-B, 5.50%, due 7/1/19	2,991
		6,237
Texas (13.6%)		
4,145	Anson Ed. Fac. Corp. Std. Hsg. Rev. (Univ. of Texas at Dallas-Waterview Park Proj.), Ser. 2002, (ACA Insured), 5.00%, due 1/1/23	3,175B
3,600	Corpus Christi Tax & Muni. Hotel Occupancy Tax G.O., Ser. 2002, (AGM Insured), 5.50%, due 9/1/17	3,835
1,935	Dallas-Fort Worth Int'l Arpt. Imp. Rev., Ser. 2004-B, (AGM Insured), 5.50%, due 11/1/18	2,094
2,300	Harris Co. Perm. Imp. Ref. G.O., Ser. 2008-B, 5.00%, due 10/1/19 Pre-Refunded 10/1/18	2,797
2,900	Harris Co. Toll Road Sr. Lien Rev., Ser. 2008-B, 5.00%, due 8/15/33	3,064
2,210	Harris Co. Toll Road Sr. Lien Rev., (Unrefunded Bal.), Ser. 2002, (AGM Insured), 5.38%, due 8/15/16	2,403
610	HFDC Ctr. Texas, Inc. Retirement Fac. Rev., Ser. 2006-A, 5.25%, due 11/1/15	592B
3,235	Houston Arpt. Sys. Sub. Lien. Ref. Rev., Ser. 2001-A, (National Public Finance Guarantee Corp. Insured), 5.50%, due 7/1/16	3,383
1,000	Houston Pub. Imp. Ref. G.O., Ser. 2008-A, 5.00%, due 3/1/20	1,143
4,780	North Central Hlth. Fac. Dev. Corp. Hosp. Ref. Rev. (Baylor Hlth. Care Sys. Proj.), Ser. 1998, 5.10%, due 5/15/13	4,795B
3,000	North Texas Tollway Au. Dallas North Tollway Sys. Rev., Ser. 2005-C, 6.00%, due 1/1/23	3,439

950	Northwest Texas Independent Sch. Dist. Sch. Bldg., Ser. 2002, (PSF Insured), 5.50%, due 8/15/17 Pre-Refunded 2/15/13	1,057
50	Northwest Texas Independent Sch. Dist. Sch. Bldg. (Unrefunded Bal.), Ser. 2002, (PSF Insured), 5.50%, due 8/15/17	55
20	San Antonio Cert. of Oblig. G.O., Ser. 2002, 5.00%, due 2/1/14 Pre-Refunded 2/1/12	21
500	San Leanna Ed. Fac. Corp. Higher Ed. Ref. Rev., (St. Edwards Univ. Proj.), Ser. 2007, 5.00%, due 6/1/19	535B
910	Southmost Reg. Wtr. Au. Wtr. Supply Contract Rev., Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.50%, due 9/1/19 Pre-Refunded 9/1/12	994
1,000	Southmost Reg. Wtr. Au. Wtr. Supply Contract Rev. (Unrefunded Bal.), Ser. 2002, (National Public Finance Guarantee Corp. Insured), 5.50%, due 9/1/19	1,042
160	Texas Std. Hsg. Corp. Std. Hsg. Rev. (Midwestern St. Univ. Proj.), Ser. 2002, 5.50%, due 9/1/12	170
1,000	Trinity River Au. Imp. & Ref. Rev. (Tarrant Co. Wtr. Proj.), Ser. 2003, (National Public Finance Guarantee Corp. Insured), 5.50%, due 2/1/16 Pre-Refunded 2/1/13	1,110
1,085	Tyler Hlth. Fac. Dev. Corp. Hosp. Rev. (Mother Frances Hosp. Reg. Hlth. Care Ctr. Proj.), Ser. 2003, 5.25%, due 7/1/13	1,146B
1,175	West Harris Co. Reg. Wtr. Au. Sys. Wtr. Rev., Ser. 2009, 5.00%, due 12/15/35	1,207
		38,057
Utah (1.7%)		
3,000	Salt Lake Co. Hosp. Rev. (IHC Hlth. Svc., Inc.), Ser. 2001, (AMBAC Insured), 5.40%, due 2/15/28	3,364B
1,200	Uintah Co. Muni. Bldg. Au. Lease Rev., Ser. 2008, 5.25%, due 6/1/20	1,338
		4,702
Virginia (1.0%)		
2,620	Peninsula Ports Au. Res. Care Fac. Ref. Rev. (VA Baptist Homes), Ser. 2006-C, 5.25%, due 12/1/21	1,806B
1,000	Virginia Beach Dev. Au. Residential Care Fac. Mtge. Ref. Rev.	956B

	(Westminster-Canterbury of Hampton Roads, Inc.), Ser. 2005, 5.00%, due 11/1/22		2,762
Washington (6.7%)			
6,250	Port of Seattle Sub. Lien Rev., Ser. 2002-B, (National Public Finance Guarantee Corp. Insured), 5.50%, due 9/1/16		6,515
1,000	Skagit Co. Pub. Hosp. Dist. Number 1 Ref. Rev., Ser. 2007, 5.63%, due 12/1/25		1,030
1,000	Skagit Co. Pub. Hosp. Dist. Ref. Rev., Ser. 2003, 6.00%, due 12/1/23		1,034
1,625	Skagit Co. Pub. Hosp. Dist. Ref. Rev., Ser. 2003, 6.00%, due 12/1/18		1,720
2,500	Tacoma Wtr. Sys. Rev., Ser. 2001, (National Public Finance Guarantee Corp. Insured), 5.13%, due 12/1/19 Pre-Refunded 12/1/11		2,628

See Notes to Schedule of Investments



PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 2,525	Washington St. Higher Ed. Fac. Au. Ref. Rev. (Whitworth Univ. Proj.), Ser. 2009, 5.38%, due 10/1/29	\$ 2,651B
3,125	Washington St. Hlth. Care Fac. Au. Rev. (Yakima Valley Mem. Hosp. Assoc.), Ser. 2002, (ACA Insured), 5.00%, due 12/1/17	3,161B 18,739
West Virginia (0.4%)		
1,000	West Virginia Sch. Bldg. Au. Excess Lottery Rev., Ser. 2008, 5.00%, due 7/1/19	1,140
Wisconsin (6.8%)		
810	Badger Tobacco Asset Securitization Corp. Tobacco Settlement Asset-Backed Rev., Ser. 2002, 6.13%, due 6/1/27	865
1,900	Univ. of Wisconsin Hosp. & Clinics Au. Hosp. Rev., Ser. 2002-B, 5.50%, due 4/1/12	1,976
1,370	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Aurora Med. Group, Inc. Proj.), Ser. 1996, (AGM Insured), 6.00%, due 11/15/11	1,421B
1,100	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Beloit College), Ser. 2010-A, 6.13%, due 6/1/35	1,163B
1,225	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Beloit College), Ser. 2010-A, 6.13%, due 6/1/39	1,292B
1,000	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Franciscan Sisters Hlth. Care), Ser. 2007, 5.00%, due 9/1/14	1,050B
2,780	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Kenosha Hosp. & Med. Ctr., Inc. Proj.), Ser. 1999, 5.50%, due 5/15/15	2,785B
5,000	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Marquette Univ.), Ser. 2008-B3, 5.00%, due 10/1/30	5,227B
3,000	Wisconsin St. Hlth. & Ed. Fac. Au. Rev. (Meriter Hosp., Inc.), Ser. 2009,	3,180B

	5.63%, due 12/1/29		18,959
Wyoming (1.8%)			
	Wyoming Comm. Dev. Au. Hsg. Rev., Ser. 2006-6, 5.00%, due 12/1/21	4,895	4,971
Other (0.8%)			
	Non-Profit Pfd. Fdg. Trust I, Ser. 2006-C, 4.72%, due 9/15/37	3,000	2,293#
	Total Investments (162.2%) (Cost \$434,176)		452,252##
	Cash, receivables and other assets, less liabilities (2.1%)		6,049
	Liquidation Value of Auction Market Preferred Shares [(64.3%)]		(179,400)
	Total Net Assets Applicable to Common Shareholders (100.0%)		\$ 278,901

See Notes to Schedule of Investments

## Schedule of Investments New York Intermediate Municipal Fund Inc.

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
<b>Arizona (0.7%)</b>		
\$ 500	Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17	\$ 488
<b>California (4.0%)</b>		
3,115	Corona-Norca Unified Sch. Dist. G.O. Cap. Appreciation (Election 2006), Ser. 2009-C, (AGM Insured), 0.00%, due 8/1/24	1,536
1,470	Pico Rivera Pub. Fin. Au. Lease Rev., Ser. 2009, 4.75%, due 9/1/25	1,498
		3,034
<b>Guam (0.7%)</b>		
500	Guam Gov't Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2005, 5.50%, due 7/1/16	522
<b>Illinois (1.2%)</b>		
910	Bartlett Sr. Lien Tax Increment Ref. Rev. (Quarry Redev. Proj.), Ser. 2007, 5.35%, due 1/1/17	893
<b>Nevada (1.6%)</b>		
1,000	Las Vegas Redev. Agcy. Tax Increment Rev., Ser. 2009-A, 7.50%, due 6/15/23	1,166
<b>New York (143.3%)</b>		
3,000	Albany IDA Civic Fac. Rev. (Charitable Leadership Foundation Ctr. for Med. Science Proj.), Ser. 2002-A, 6.00%, due 7/1/19	2,685B
500	Cattaraugus Co. IDA Civic Fac. Rev. (St. Bonaventure Univ. Proj.), Ser. 2006-A, 5.00%, due 5/1/23	511B
1,000	Dutchess Co. IDA Civic Fac. Ref. Rev. (Marist College Proj.), Ser. 2003-A, 5.15%, due 7/1/17	1,057B
1,000	Erie Co. IDA Sch. Fac. Rev. (Buffalo City Sch. Dist.), Ser. 2009-A, 5.25%, due 5/1/25	1,113
1,500	Hempstead Town Local Dev. Corp. Rev. (Molloy College Proj.), Ser. 2009, 5.75%, due 7/1/23	1,728B
1,050	Long Island Pwr. Au. Elec. Sys. Gen.	1,175

	Rev., Ser. 2006-E, (BHAC Insured), 5.00%, due 12/1/21	
700	Lyons Comm. Hlth. Initiatives Corp. Fac. Rev., Ser. 2004, 5.50%, due 9/1/14	747
1,000	Monroe Co. IDA Civic Fac. Rev. (Highland Hosp. Rochester), Ser. 2005, 5.00%, due 8/1/15	1,092B
980	Monroe Co. IDA Std. Hsg. Rev. (Collegiate Hsg. Foundation—Rochester Institute of Technology Proj.), Ser. 1999-A, 5.25%, due 4/1/19	958B
1,000	Monroe Co. Newpower Corp. Pwr. Fac. Rev., Ser. 2003, 5.10%, due 1/1/16`	1,036
1,000	Monroe Co. Pub. Imp. Ref. G.O., Ser. 1996, 6.00%, due 3/1/13	1,103
1,125	Nassau Co. IDA Continuing Care Retirement (The Amsterdam Harborside), Ser. 2007-A, 5.88%, due 1/1/18	1,168B
30	New York City G.O., Ser. 2002-A, 5.75%, due 8/1/16 Pre-Refunded 8/1/12	33
970	New York City G.O., Ser. 2002-A, 5.75%, due 8/1/16	1,048
100	New York City G.O., Ser. 2006-13, (LOC: Bank of America), 0.29%, due 4/1/36	100μ
950	New York City G.O., Ser. 2009-B, 5.00%, due 8/1/22	1,075
1,000	New York City G.O., Ser. 2009-E, 5.00%, due 8/1/21'	1,136
1,410	New York City Hlth. & Hosp. Corp. Rev., Ser. 2002-A, (AGM Insured), 5.50%, due 2/15/13 Pre-Refunded 2/15/12	1,503
4,000	New York City Hsg. Dev. Corp. Multi-Family Hsg. Rev., Ser. 2002-E2, 5.05%, due 11/1/23	4,035
1,000	New York City IDA Civic Fac. Rev. (Lycee Francais de New York Proj.), Ser. 2002-A, (ACA Insured), 5.50%, due 6/1/15	1,057B
1,030	New York City IDA Civic Fac. Rev. (Lycee Francais de New York Proj.), Ser. 2002-A, (ACA Insured), 5.50%, due 6/1/17	1,073B
2,920	New York City IDA Civic Fac. Rev. (Packer Collegiate Institute Proj.), Ser. 2002, (AMBAC Insured), 5.00%, due 6/1/22	3,010B
750	New York City IDA Liberty Rev. (7 World Trade Ctr., LLC Proj.), Ser.	758B

	2005-A, 6.25%, due 3/1/15	
	New York City IDA Spec. Fac. Rev. (Term. One Group Assoc. Proj.), Ser. 2005,	
2,000	5.50%, due 1/1/19 Putable 1/1/16	2,126µß
	New York City Muni. Wtr. Fin. Au. Wtr. & Swr. Sys. Rev., Ser. 1992-A, (AMBAC Insured),	
960	5.88%, due 6/15/13	1,092
	New York City Transitional Fin. Au. Ref. Rev. (Future Tax), Ser. 2002-C, (AMBAC Insured),	
215	5.25%, due 8/1/17	232

See Notes to Schedule of Investments

PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 500	New York City Transitional Fin. Au. Rev., Subser. 2002-2F, (LOC: Bayerische Landesbank), 0.30%, due 11/1/22	\$ 500μ
2,000	New York City Transitional Fin. Au. Rev. (Future Tax Secured), Ser. 2001-B, (LOC: Landesbank Baden-Wurttemberg), 0.30%, due 2/1/31	2,000μ
1,810	New York City Transitional Fin. Au. Rev. (Future Tax Secured), Ser. 2002-C, (AMBAC Insured), 5.25%, due 8/1/17 Pre-Refunded 8/1/12	1,964
660	New York Liberty Dev. Corp. Rev. (Nat'l Sports Museum Proj.), Ser. 2006-A, 6.13%, due 2/15/19	2#‡
2,000	New York St. Dorm. Au. Court Fac. Lease Rev. (New York City Issue), Ser. 2003-A, 5.50%, due 5/15/17 Pre-Refunded 5/15/13	2,250
1,675	New York St. Dorm. Au. Insured Rev. (Long Island Univ.), Ser. 2003-A, (Radian Insured), 5.25%, due 9/1/15	1,729β
1,600	New York St. Dorm. Au. Insured Rev. (The Culinary Institute of America), Ser. 1999, (National Public Finance Guarantee Corp. Insured), 5.38%, due 7/1/15	1,613β
3,000	New York St. Dorm. Au. Ref. Rev. (North Gen. Hosp. Proj.), Ser. 2003, 5.75%, due 2/15/17	3,196β
250	New York St. Dorm. Au. Rev. (Brookdale Hosp. Med. Ctr.), Ser. 1998-J, 5.20%, due 2/15/16	251β
1,126	New York St. Dorm. Au. Rev. (City Univ. Sys. Proj.), Ser. 1995-A, 5.63%, due 7/1/16	1,301
1,000	New York St. Dorm. Au. Rev. (Lenox Hill Hosp. Oblig. Group Proj.), Ser. 2001, 5.75%, due 7/1/14	1,026β
1,000	New York St. Dorm. Au. Rev. (Lenox Hill Hosp. Oblig. Group Proj.), Ser. 2001, 5.75%, due 7/1/16	1,021β
1,980	New York St. Dorm. Au. Rev. (New York Med. College Proj.), Ser. 1998, (National Public Finance Guarantee Corp. Insured), 5.00%, due 7/1/21	1,981β
600	New York St. Dorm. Au. Rev. (North Shore-Long Island Jewish Oblig. Group), Ser. 2003, 5.00%, due 5/1/18	516β
2,855	New York St. Dorm. Au. Rev. (Rivington House Hlth. Care Fac.), Ser. 2002, (SONYMA Insured), 5.25%, due 11/1/15	3,072β
2,410	New York St. Dorm. Au. Rev. (Rochester Institute of Technology Proj.), Ser. 2002-A, (AMBAC Insured),	2,603β

	5.25%, due 7/1/19 Pre-Refunded 7/1/12	
1,000	New York St. Dorm. Au. Rev. (Sch. Dist. Financing Proj.), Ser. 2002-A, (National Public Finance Guarantee Corp. Insured), 5.75%, due 10/1/17	1,070
3,000	New York St. Dorm. Au. Rev. (SS Joachim & Anne Residence Proj.), Ser. 2002, (LOC: Allied Irish Bank), 4.60%, due 7/1/16	3,025B
500	New York St. Dorm. Au. Rev. Non St. Supported Debt (Manhattan Marymount College), Ser. 2009, 5.00%, due 7/1/24	509B
900	New York St. Dorm. Au. Rev. Non St. Supported Debt (Montfiore Med. Ctr.), Ser. 2008, (FHA Insured), 5.00%, due 8/1/21	973B
1,595	New York St. Dorm. Au. Rev. Non St. Supported Debt (Mount Sinai Sch. of Medicine), Ser. 2009, 5.25%, due 7/1/24	1,702B
1,000	New York St. Dorm. Au. Rev. Non St. Supported Debt (NYU Hosp. Ctr.), Ser. 2006-A, 5.00%, due 7/1/20	1,052B
1,030	New York St. Dorm. Au. Rev. Non St. Supported Debt (NYU Hosp. Ctr.), Ser. 2007-B, 5.25%, due 7/1/24	1,079B
2,000	New York St. Dorm. Au. Rev. Non St. Supported Debt (St. John's Univ.), Ser. 2007-C, (National Public Finance Guarantee Corp. Insured), 5.25%, due 7/1/19	2,301B
2,600	New York St. Dorm. Au. Rev. St. Personal Income Tax Rev., Ser. 2003-A, 5.38%, due 3/15/17 Pre-Refunded 3/15/13	2,897
5,000	New York St. Energy Res. & Dev. Au. Fac. Rev. (Consolidated Edison Co. of New York, Inc. Proj.), Ser. 2001, 4.70%, due 6/1/36 Putable 10/1/12	5,009µB
1,615	New York St. HFA Rev. (Affordable Hsg.), Ser. 2009-B, 4.50%, due 11/1/29	1,631
2,000	New York St. Mtge. Agcy. Homeowner Mtge. Rev., Ser. 1997-67, 5.70%, due 10/1/17	2,002
1,230	New York St. Muni. Bond Bank Agcy., Subser. 2009-B1, 5.00%, due 12/15/23	1,367
1,295	New York St. Muni. Bond Bank Agcy., Subser. 2009-B1, 5.00%, due 12/15/24	1,428
1,475	New York St. Thruway Au. Second Gen. Hwy. & Bridge Trust Fund Bonds, Ser. 2007-B, 5.00%, due 4/1/20	1,672
1,090	New York St. Thruway Au. Second Gen. Hwy. & Bridge Trust Fund Bonds, Ser. 2009-B, 5.00%, due 4/1/19	1,279
250	New York St. Urban Dev. Corp. Correctional & Youth Fac. Svc. Rev., Ser. 2002-C, 4.00%, due 1/1/20 Pre-Refunded 1/1/11	252µ
1,250	New York St. Urban Dev. Corp. Ref. Rev., Ser. 2008-D, 5.25%, due 1/1/20	1,452
965	New York St. Urban Dev. Corp. Rev. (St. Personal Income Tax), Ser. 2008-A1, 5.00%, due 12/15/23	1,081
1,375		1,495

	New York Tobacco Settlement Fin. Corp., Ser. 2003-B1C, 5.50%, due 6/1/22	
2,000	Niagara Co. IDA Civic Fac. Rev. (Niagara Univ. Proj.), Ser. 2001-A, (Radian Insured), 5.50%, due 11/1/16	2,081B
1,000	Onondaga Co. Trust Cultural Res. Rev. (Syracuse Univ. Proj.), Ser. 2010-B, 5.00%, due 12/1/19	1,188B
3,000	Port Au. of NY & NJ Rev. Consolidated Bonds, Ser. 2002, (AMBAC Insured), 5.50%, due 12/15/12	3,262
1,000	Saratoga Co. IDA Civic Fac. Rev. (Saratoga Hosp. Proj.), Ser. 2007-B, 5.00%, due 12/1/22	1,016B
1,570	Triborough Bridge & Tunnel Au. Oblig., Ser. 1998-A, (National Public Finance Guarantee Corp. Insured), 4.75%, due 1/1/24	1,578

See Notes to Schedule of Investments



PRINCIPAL AMOUNT	SECURITY@	VALUE†
(000's omitted)		(000's omitted)
\$ 2,000	Triborough Bridge & Tunnel Au. Rev., Subser. 2008-D, 5.00%, due 11/15/23	\$ 2,252
1,535	Ulster Co. Res. Rec. Agcy. Solid Waste Sys. Ref. Rev., Ser. 2002, (AMBAC Insured), 5.25%, due 3/1/16	1,642
1,405	United Nations Dev. Corp. Rev., Ser. 2009-A, 5.00%, due 7/1/22	1,572
1,000	Westchester Co. IDA Continuing Care Retirement Comm. Rev. (Kendal on Hudson Proj.), Ser. 2003-B, 6.50%, due 1/1/34 Putable 1/1/13	1,004µB
855	Yonkers IDA Civic Fac. Rev. (Comm. Dev. Properties-Yonkers, Inc.), Ser. 2001-A, 6.25%, due 2/1/16 Pre-Refunded 2/1/11	867B
		107,414
Pennsylvania (2.1%)		
2,000	Pennsylvania St. Turnpike Commission Turnpike Rev. (Cap. Appreciation), Subser. 2010-B2, 0.00%, due 12/1/34	1,580a
Puerto Rico (8.9%)		
1,500	Puerto Rico Commonwealth Gov't Dev. Bank, Ser. 1985, (National Public Finance Guarantee Corp. Insured), 4.75%, due 12/1/15	1,568
1,050	Puerto Rico Commonwealth Ref. G.O. (Pub. Imp.), Ser. 2001-A, (XLCA Insured), 5.60%, due 7/1/17	1,168
750	Puerto Rico Elec. Pwr. Au. Pwr. Rev., Ser. 2010-XX, 5.25%, due 7/1/35	769
1,060	Puerto Rico Ind, Tourist Ed. Med. & Env. Ctrl. Fac. Rev. (Polytechnic Univ. of Puerto Rico Proj.), Ser. 2002-A, (ACA Insured), 5.25%, due 8/1/16	1,088B
1,000	Puerto Rico Sales Tax Fin. Corp. Sales Tax Rev., Subser. 2009-A, 5.00%, due 8/1/24	1,056

1,000	Puerto Rico Sales Tax Fin. Corp. Sales Tax Rev., Subser. 2009-A, 5.00%, due 8/1/39 Pre-Refunded 8/1/11	1,035μ 6,684
	Total Investments (162.5%) (Cost \$118,333)	121,781##
	Cash, receivables and other assets, less liabilities (1.9%)	1,411
	Liquidation Value of Auction Market Preferred Shares [(64.4%)]	(48,250)
	Total Net Assets Applicable to Common Shareholders (100.0%)	\$ 74,942

See Notes to Schedule of Investments

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## Notes to Schedule of Investments

† In accordance with Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" ("ASC 820"), all investments held by each of Neuberger Berman California Intermediate Municipal Fund Inc. ("California"), Neuberger Berman Intermediate Municipal Fund Inc. ("Intermediate"), and Neuberger Berman New York Intermediate Municipal Fund Inc. ("New York") (each individually a "Fund", and collectively the "Funds") are carried at the value that Neuberger Berman Management LLC ("Management") believes a fund would receive upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment under current market conditions. Various inputs, including the volume and level of activity for the asset or liability in the market, are considered in valuing the Funds' investments, some of which are discussed below. Significant management judgment may be necessary to value investments in accordance with ASC 820.

ASC 820 established a three-tier hierarchy of inputs to create a classification of value measurements for disclosure purposes. The three-tier hierarchy of inputs is summarized in the three broad Levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, amortized cost, etc.)
- Level 3 – significant unobservable inputs (including a Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing an investment are not necessarily an indication of the risk associated with investing in those securities.

The value of the Funds' investments in municipal securities is determined by Management primarily by obtaining valuations from independent pricing services based on readily available bid quotations, or if quotations are not available, by methods which include various considerations such as yields or prices of securities of comparable quality, coupon, maturity and type; indications as to values from dealers; and general market conditions (generally Level 2 inputs). Other Level 2 inputs used to evaluate municipal securities include current trades, bid-wanted lists (which informs the market that a holder is interested in selling a position and that offers will be considered), offerings, general information on market movement, direction, trends, and specific data on specialty issues.

Management has developed a process to periodically review information provided by independent pricing services for all types of securities.

If a valuation is not available from an independent pricing service, or if Management has reason to believe that the valuation received does not represent the amount a fund might reasonably expect to receive on a current sale in an orderly transaction, the affected Fund seeks to obtain quotations from principal market makers (generally considered Level 3 inputs). If such quotations are not readily available, the security is valued using methods the Fund's Board of Directors (each Fund's Board of Directors, a "Board") has approved on the belief that they reflect fair value. Numerous factors may be considered when determining the fair value of a security based on Level 2 or 3 inputs, including available analyst, media or other reports, trading in futures or ADRs and whether the issuer of the security being fair valued has other securities outstanding. These fair value prices are necessarily estimates, and there is no assurance that such a price will be at or close to the price at which the security is next quoted or next trades.

The following is a summary, categorized by Level, of inputs used to value the Funds' investments as of October 31, 2010:

Asset Valuation Inputs (000's omitted)	Level 1	Level 2	Level 3	Total
California				
Investments:				
Municipal Notes^	\$ —	\$ 141,333	\$ —	\$ 141,333
Total Investments	—	141,333	—	141,333

See Notes to Financial Statements

## Notes to Schedule of Investments (cont'd)

(000's omitted)	Level 1	Level 2	Level 3	Total
<b>Intermediate</b>				
<b>Investments:</b>				
Municipal Notes <sup>^</sup>	\$ —	\$452,252	\$ —	\$452,252
<b>Total Investments</b>	<b>—</b>	<b>452,252</b>	<b>—</b>	<b>452,252</b>
<b>New York</b>				
<b>Investments:</b>				
Municipal Notes <sup>^</sup>	—	121,781	—	121,781
<b>Total Investments</b>	<b>—</b>	<b>121,781</b>	<b>—</b>	<b>121,781</b>

<sup>^</sup> The Schedule of Investments provides information on the state categorization for the portfolio.

The Funds had no significant transfers between Levels 1 and 2 during the year ended October 31, 2010.

<sup>##</sup> At October 31, 2010, selected fund information on a U.S. federal income tax basis was as follows:

(000's omitted)	Cost	Gross Unrealized Appreciation	Gross Unrealized Depreciation	Net Unrealized Appreciation (Depreciation)
California	\$136,383	\$ 5,466	\$ 516	\$ 4,950
Intermediate	434,181	23,257	5,186	18,071
New York	118,337	4,636	1,192	3,444

<sup>@</sup> Approximately 72%, 61%, and 64% of the municipal securities held by California, Intermediate, and New York, respectively, have credit enhancement features backing them.

<sup>β</sup> Security is guaranteed by the corporate or non-profit obligor.

<sup>μ</sup> Floating rate securities are securities whose yields vary with a designated market index or market rate. These securities are shown at their current rates as of October 31, 2010 and their final maturity dates.

<sup>a</sup> Currently a zero coupon security; will convert to 6.00% on December 1, 2015.

<sup>b</sup> Currently a zero coupon security; will convert to 5.50% on August 1, 2021.

- c Currently a zero coupon security; will convert to 6.38% on August 1, 2016.
- d Currently a zero coupon security; will convert to 6.38% on August 1, 2019.
- e Currently a zero coupon security; will convert to 6.13% on August 1, 2023.
- f Currently a zero coupon security; will convert to 6.88% on August 1, 2019.
- g Security is subject to a guarantee provided by Bayerische Landesbank, backing 100% of the total principal.
- h Security is subject to a guarantee provided by JP Morgan Chase, backing 100% of the total principal.
- i Security is subject to a guarantee provided by Societe Generale, backing 100% of the total principal.
- ‡ Security had an event of default.

See Notes to Financial Statements

22

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## Notes to Schedule of Investments (cont'd)

- ñ Restricted security subject to restrictions on resale under federal securities laws. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers under Rule 144A under the Securities Act of 1933, as amended, and have been deemed by the investment manager to be liquid. At October 31, 2010, these securities amounted to approximately \$535,000 or 0.6% of net assets applicable to common shareholders for California and approximately \$1,950,000 or 0.7% of net assets applicable to common shareholders for Intermediate.
- # Restricted security subject to restrictions on resale under federal securities laws. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers under Rule 144A under the Securities Act of 1933, as amended, and have been deemed by the investment manager to be illiquid and restricted. At October 31, 2010, these securities amounted to \$2,296,000 or 0.8% of net assets applicable to common shareholders for Intermediate, and \$1,980 or 0.0% of net assets applicable to common shareholders for New York.

(000's omitted)	Restricted Security	Acquisition Date	Acquisition Cost	Acquisition Cost Percentage of Net Assets Applicable to Common Shareholders as of Acquisition Date	Value as of October 31, 2010	Fair Value Percentage of Net Assets Applicable to Common Shareholders as of October 31, 2010
Intermediate	New York Liberty Dev. Corp. Rev. (Nat'l Sports Museum Proj.), Ser. 2006-A, 6.13%, due 2/15/19	8/4/2006	\$1,100	0.4%	\$ 3	0.0%
	Non-Profit Pfd. Fdg. Trust I, Ser. 2006-C, 4.72%, due 9/15/37	10/2/2006	3,000	1.0	2,293	0.8
New York	New York Liberty Dev. Corp.	8/4/2006	660	0.9	2	0.0

Rev.  
(Nat'l Sports  
Museum  
Proj.),  
Ser. 2006-A,  
6.13%,  
due 2/15/19

See Notes to Financial Statements

23

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## Statements of Assets and Liabilities

## Neuberger Berman Intermediate Municipal Closed-End Funds

(000's omitted except per share amounts)

	CALIFORNIA INTERMEDIATE MUNICIPAL FUND October 31, 2010	INTERMEDIATE MUNICIPAL FUND October 31, 2010	NEW YORK INTERMEDIATE MUNICIPAL FUND October 31, 2010
<b>Assets</b>			
Investments in securities, at value* (Note A)— see Schedule of Investments:			
Unaffiliated issuers	\$ 141,333	\$ 452,252	\$ 121,781
Cash	62	29	89
Interest receivable	2,094	7,255	1,813
Receivable for securities sold	65	460	—
Prepaid expenses and other assets	10	22	7
<b>Total Assets</b>	<b>143,564</b>	<b>460,018</b>	<b>123,690</b>
<b>Liabilities</b>			
Distributions payable—preferred shares	3	33	9
Distributions payable—common shares	374	1,306	328
Payable to investment manager—net (Notes A & B)	12	39	10
Payable to administrator (Note B)	37	117	31
Accrued expenses and other payables	132	222	120
<b>Total Liabilities</b>	<b>558</b>	<b>1,717</b>	<b>498</b>
Auction Market Preferred Shares Series A & B at liquidation value 3,000, 8,000 and 3,000 shares authorized, 2,360, 7,176 and 1,930 shares issued and outstanding for California, Intermediate and New York, respectively; \$.0001 par value; \$25,000 liquidation value per share (Note A)			
	59,000	179,400	48,250
Net Assets applicable to Common Shareholders at value	\$ 84,006	\$ 278,901	\$ 74,942
Net Assets applicable to Common Shareholders consist of:			
Paid-in capital—common shares	\$ 78,644	\$ 266,396	\$ 72,067
Undistributed net investment income (loss)	1,436	5,546	1,167

Accumulated net realized gains (losses) on investments	(1,024)	(11,117)	(1,740)
Net unrealized appreciation (depreciation) in value of investments	4,950	18,076	3,448
Net Assets applicable to Common Shareholders at value	\$ 84,006	\$ 278,901	\$ 74,942
Common Shares Outstanding (\$0.0001 par value, 999,997,000, 999,992,000 and 999,997,000 shares authorized for California, Intermediate and New York, respectively)	5,507	18,662	5,047
Net Asset Value Per Common Share Outstanding	\$ 15.25	\$ 14.94	\$ 14.85
*Cost of Investments:	\$ 136,383	\$ 434,176	\$ 118,333

See Notes to Financial Statements

## Statements of Operations

## Neuberger Berman Intermediate Municipal Closed-End Funds

(000's omitted)

	CALIFORNIA INTERMEDIATE MUNICIPAL FUND For the Year Ended October 31, 2010	INTERMEDIATE MUNICIPAL FUND For the Year Ended October 31, 2010	NEW YORK INTERMEDIATE MUNICIPAL FUND For the Year Ended October 31, 2010
<b>Investment Income:</b>			
Income (Note A)			
Interest income	\$ 6,500	\$ 21,245	\$ 5,602
<b>Expenses:</b>			
Investment management fees (Note B)	352	1,129	303
Administration fees (Note B)	423	1,354	364
Auction agent fees (Note B)	90	276	62
Audit fees	49	49	49
Basic maintenance expense (Note B)	25	25	25
Custodian fees (Note B)	76	156	67
Insurance expense	12	38	10
Legal fees	130	311	110
Shareholder reports	44	78	41
Stock exchange listing fees	5	16	4
Stock transfer agent fees	19	20	20
Directors' fees and expenses	51	51	51
Miscellaneous	28	37	27
Total expenses	1,304	3,540	1,133
Investment management fees waived (Note B)	(211)	(677)	(182)
Expenses reduced by custodian fee expense offset arrangement (Note B)	—	(1)	—
Total net expenses	1,093	2,862	951
Net investment income (loss)	\$ 5,407	\$ 18,383	\$ 4,651
<b>Realized and Unrealized Gain (Loss) on Investments (Note A)</b>			
<b>Net realized gain (loss) on:</b>			
Sales of investment securities of unaffiliated issuers	502	(302)	124
<b>Change in net unrealized appreciation (depreciation) in value of:</b>			
Unaffiliated investment securities	3,442	12,974	3,246

Net gain (loss) on investments	3,944	12,672	3,370
Distributions to Preferred Shareholders	(241)	(727)	(197)
Net increase (decrease) in net assets applicable to Common Shareholders resulting from operations	\$ 9,110	\$ 30,328	\$ 7,824

See Notes to Financial Statements

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## Statements of Changes in Net Assets

## Neuberger Berman Intermediate Municipal Closed-End Funds

(000's omitted)

	CALIFORNIA INTERMEDIATE MUNICIPAL FUND		INTERMEDIATE MUNICIPAL FUND	
	Year Ended October 31, 2010	Year Ended October 31, 2009	Year Ended October 31, 2010	Year Ended October 31, 2009
Increase (Decrease) in Net Assets Applicable to Common Shareholders:				
From Operations (Note A):				
Net investment income (loss)	\$ 5,407	\$ 5,770	\$ 18,383	\$ 18,954
Net realized gain (loss) on investments	502	(1,362)	(302)	(9,553)
Change in net unrealized appreciation (depreciation) of investments	3,442	9,198	12,974	27,702
Distributions to Preferred Shareholders From (Note A):				
Net investment income	(241 )	(513 )	(727 )	(1,555 )
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	9,110	13,093	30,328	35,548
Distributions to Common Shareholders From (Note A):				
Net investment income	(4,445)	(4,272)	(15,474)	(13,345)
From Capital Share Transactions (Note D):				
Proceeds from reinvestment of dividends and distributions	—	—	412	—
Payments for shares redeemed in connection with tender offer (Note E)	—	(17,811)	—	(27,869 )
Total net proceeds from capital share transactions	—	(17,811)	412	(27,869)
Net Increase (Decrease) in Net Assets Applicable to Common Shareholders	4,665	(8,990)	15,266	(5,666)

Net Assets Applicable to  
Common Shareholders:

Beginning of year	79,341	88,331	263,635	269,301
End of year	\$84,006	\$ 79,341	\$278,901	\$263,635
Undistributed net investment income (loss) at end of year	\$ 1,436	\$ 715	\$ 5,546	\$ 3,364

See Notes to Financial Statements

	NEW YORK INTERMEDIATE MUNICIPAL FUND	
	Year Ended October 31, 2010	Year Ended October 31, 2009
Increase (Decrease) in Net Assets Applicable to Common Shareholders:		
From Operations (Note A):		
Net investment income (loss)	\$ 4,651	\$ 4,793
Net realized gain (loss) on investments	124	(1,053)
Change in net unrealized appreciation (depreciation) of investments	3,246	7,294
Distributions to Preferred Shareholders From (Note A):		
Net investment income	(197 )	(426 )
Net increase (decrease) in net assets applicable to common shareholders resulting from operations	7,824	10,608
Distributions to Common Shareholders From (Note A):		
Net investment income	(3,895)	(3,542)
From Capital Share Transactions (Note D):		
Proceeds from reinvestment of dividends and distributions	333	—
Payments for shares redeemed in connection with tender offer (Note E)	—	(7,441 )
Total net proceeds from capital share transactions	333	(7,441)
Net Increase (Decrease) in Net Assets Applicable to Common Shareholders	4,262	(375)
Net Assets Applicable to Common Shareholders:		
Beginning of year	70,680	71,055
End of year	\$ 74,942	\$ 70,680
Undistributed net investment income (loss) at	\$ 1,167	\$ 608



end of year

28

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Notes to Financial Statements Intermediate Municipal  
Closed-End Funds

Note A—Summary of Significant Accounting Policies:

- 1 General: The Funds were organized as Maryland corporations on July 29, 2002. California and New York are registered as non-diversified, closed-end management investment companies and Intermediate is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"). Each Fund's Board may classify or re-classify any unissued shares of capital stock into one or more classes of preferred stock without the approval of shareholders.

The assets of each Fund belong only to that Fund, and the liabilities of each Fund are borne solely by that Fund and no other.

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires Management to make estimates and assumptions at the date of the financial statements. Actual results could differ from those estimates.

- 2 Portfolio valuation: Investment securities are valued as indicated in the notes following the Funds' Schedule of Investments.
- 3 Securities transactions and investment income: Securities transactions are recorded on trade date for financial reporting purposes. Interest income, including accretion of discount (adjusted for original issue discount, where applicable) and amortization of premium, where applicable, is recorded on the accrual basis. Realized gains and losses from securities transactions are recorded on the basis of identified cost and stated separately in the Statements of Operations.
- 4 Income tax information: The Funds are treated as separate entities for U.S. federal income tax purposes. It is the policy of each Fund to continue to qualify as a regulated investment company by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its earnings to its shareholders. Therefore, no federal income or excise tax provision is required.

The Funds have adopted the provisions of ASC 740 "Income Taxes" ("ASC 740"). ASC 740 sets forth a minimum threshold for financial statement recognition of the benefit of a tax position taken, or expected to be taken, in a tax return. The Funds recognize interest and penalties, if any, related to unrecognized tax benefits as an income tax expense in the Statements of Operations. The Funds are subject to examination by U.S. federal and state tax authorities for returns filed for the prior three fiscal years 2007 - 2009. As of October 31, 2010, the Funds did not have any unrecognized tax benefits.

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by each Fund, timing differences and differing characterization of distributions made by each Fund as a whole.

As determined on October 31, 2010, there were no permanent differences resulting from different book and tax accounting reclassified at fiscal year-end.



The tax character of distributions paid during the years ended October 31, 2010 and October 31, 2009 was as follows:

	Distributions Paid From:					
	Tax-Exempt Income		Ordinary Income		Total	
	2010	2009	2010	2009	2010	2009
California	\$ 4,663,999	\$ 4,756,650	\$ 22,209	\$ 28,416	\$ 4,686,208	\$ 4,785,066
Intermediate	15,934,271	14,800,907	266,542	99,261	16,200,813	14,900,168
New York	4,083,442	3,956,547	8,576	11,613	4,092,018	3,968,160

As of October 31, 2010, the components of distributable earnings (accumulated losses) on a U.S. federal income tax basis were as follows:

	Undistributed Tax-Exempt Income	Undistributed Ordinary Income	Undistributed Long-Term Gain	Unrealized Appreciation (Depreciation)	Loss Carryforwards and Deferrals	Total
California	\$ 1,813,702	\$ —	\$ —	\$ 4,949,453	\$ (1,023,948)	\$ 5,739,207
Intermediate	6,884,559	—	—	18,070,628	(11,111,637)	13,843,550
New York	1,504,452	—	—	3,444,268	(1,736,478)	3,212,242

The differences between book basis and tax basis distributable earnings is attributable primarily to timing differences of distribution payments, capital loss carryforwards and for Intermediate and New York, defaulted bond income adjustments.

To the extent each Fund's net realized capital gains, if any, can be offset by capital loss carryforwards, it is the policy of each Fund not to distribute such gains. Under current tax law, the use of a fund's capital loss carryforwards to offset future gains may be limited. As determined at October 31, 2010, each Fund had unused capital loss carryforwards available for federal income tax purposes to offset net realized capital gains, if any, as follows:

	Expiring in:							
	2011	2012	2013	2014	2015	2016	2017	2018
California	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,023,948	\$ —
Intermediate	509,968	328,363	58,816	—	126,780	232,566	9,552,881	302,263
New York	237,642	156,636	18,838	—	—	269,555	1,053,807	—

During the year ended October 31, 2010, California and New York utilized capital loss carryforwards of \$501,990 and \$124,918, respectively.

- 5 Distributions to shareholders: Each Fund earns income, net of expenses, daily on its investments. It is the policy of each Fund to declare and pay monthly distributions to common shareholders. Distributions from net realized capital gains, if any, are normally distributed in December. Distributions to common shareholders are recorded on the ex-date. Distributions to preferred shareholders are accrued and determined as described in Note A-7.



On November 15, 2010, each Fund declared a monthly distribution to common shareholders payable December 15, 2010, to shareholders of record on November 30, 2010, with an ex-date of November 26, 2010 as follows:

	Distribution per share
California	\$0.068
Intermediate	0.070
New York	0.065

On December 15, 2010, each Fund declared a monthly distribution to common shareholders payable January 18, 2011, to shareholders of record on December 31, 2010, with an ex-date of December 29, 2010 as follows:

	Distribution per share
California	\$0.068
Intermediate	0.070
New York	0.065

- 6 Expense allocation: Certain expenses are applicable to multiple funds. Expenses directly attributable to a Fund are charged to that Fund. Expenses borne by the complex of related investment companies, which includes open-end and closed-end investment companies for which Management serves as investment manager, that are not directly attributable to a particular investment company (e.g., a Fund) are allocated among the Funds and the other investment companies in the complex or series thereof on the basis of relative net assets, except where a more appropriate allocation of expenses to each of the investment companies in the complex or series thereof can otherwise be made fairly.
- 7 Financial leverage: On October 21, 2002, the Funds re-classified unissued shares of capital stock into several series of Auction Market Preferred Shares ("AMPS"), as follows:

	Series A Shares	Series B Shares
California	1,500	1,500
Intermediate	4,000	4,000
New York	1,500	1,500

On December 13, 2002, the Funds issued several series of AMPS, as follows:

	Series A Shares	Series B Shares
California	1,180	1,180
Intermediate	3,588	3,588
New York	965	965

All shares of each series of AMPS have a liquidation preference of \$25,000 per share plus any accumulated unpaid distributions, whether or not earned or declared by a Fund, but excluding interest thereon ("Liquidation Value"). Distributions to AMPS shareholders, which are cumulative, are accrued daily. It is the policy of each

Fund to pay distributions every 7 days for each Fund's AMPS Series A and every 28 days for each Fund's AMPS Series B, unless in a special rate period.

In the absence of a special rate period, distribution rates are reset every 7 days for each Fund's AMPS Series A, based on the results of an auction. For the year ended October 31, 2010, distribution rates ranged from:

	Distribution Rate
California	0.26% – 0.50%
Intermediate	0.24% – 0.50%
New York	0.26% – 0.50%

In the absence of a special rate period, distribution rates are reset every 28 days for each Fund's AMPS Series B, based on the results of an auction. For the year ended October 31, 2010, distribution rates ranged from:

	Distribution Rate
California	0.32% – 0.49%
Intermediate	0.34% – 0.50%
New York	0.34% – 0.50%

The Funds declared distributions to AMPS shareholders for the period November 1, 2010 to November 30, 2010 for each series of the AMPS as follows:

	Series A Shares	Series B Shares
California	\$10,102	\$10,391
Intermediate	30,821	31,487
New York	8,266	8,458

Since February 2008, the market for auction rate preferred securities has experienced an unprecedented number of failed auctions. In the Funds' regularly scheduled auctions, more AMPS were submitted for sale than there were offers to buy. This meant that these auctions "failed to clear," and that preferred shareholders who wanted to sell their AMPS in these auctions were unable to do so. When a failed auction of AMPS occurs, the distribution rate for AMPS resets to a maximum rate, which is 110% of the base rate (the base rate is the greater of an "AA" rated composite commercial paper rate or the taxable equivalent of a short-term municipal bond rate) as a result of the failed auctions. Although the failed auctions have resulted in a current lack of liquidity for preferred shareholders, they are not an event of default for the Funds nor have they affected the credit quality of the AMPS. The Funds have paid, and continue to pay, distributions on their AMPS that are set at the maximum rate as a result of the failed auctions. If auctions continue to fail and the maximum rate increases due to changes in short term interest rates, the Funds' returns for common shareholders could be adversely affected. The Funds continue to monitor the developments in the AMPS market.

The Funds may redeem shares of each series of AMPS, in whole or in part, on the second business day preceding any distribution payment date at Liquidation Value.

The Funds are also subject to certain restrictions relating to the AMPS. Failure to comply with these restrictions could preclude the Funds from declaring any distributions to common shareholders or repurchasing common shares and/or could trigger the mandatory redemption of AMPS at Liquidation Value.

The holders of AMPS are entitled to one vote per share and will vote with holders of common shares as a single



class, except that the AMPS will vote separately as a class on certain matters, as required by law or a Fund's charter. The holders of a Fund's AMPS, voting as a separate class, are entitled at all times to elect two Directors of the Fund, and to elect a majority of the Directors of the Fund if the Fund fails to pay distributions on AMPS for two consecutive years.

- 8 Concentration of risk: The ability of the issuers of the debt securities held by the Funds to meet their obligations may be affected by economic developments, including those particular to a specific industry or region.  
California

and New York normally invest substantially all of their assets in municipal bonds of issuers located in the state of California and the state of New York, respectively. The value of each of these Funds' securities are more susceptible to adverse economic, political, regulatory or other factors affecting the issuers of such municipal bonds than a fund that does not limit its investments to such issuers.

- 9 Indemnifications: Like many other companies, the Funds' organizational documents provide that their officers and directors are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, both in some of their principal service contracts and in the normal course of their business, the Funds enter into contracts that provide indemnifications to other parties for certain types of losses or liabilities. Each Fund's maximum exposure under these arrangements is unknown as this could involve future claims against each Fund.

Note B—Management Fees, Administration Fees, and Other Transactions With Affiliates:

Each Fund retains Management as its investment manager under a Management Agreement. For such investment management services, each Fund pays Management a fee at the annual rate of 0.25% of its average daily Managed Assets. Managed Assets equal the total assets of the Fund, less liabilities other than the aggregate indebtedness entered into for purposes of leverage. For purposes of calculating Managed Assets, the Liquidation Value of any AMPS outstanding is not considered a liability.

Management has contractually agreed to waive a portion of the management fees it is entitled to receive from each Fund at the following annual rates:

Year Ended	% of Average
October 31,	Daily Managed Assets
2010	0.10
2011	0.05

Management has not contractually agreed to waive any portion of its fees beyond October 31, 2011.

In connection with the May 2009 tender offer and the tender offer program, more fully described in Note E, Management has agreed to voluntarily extend for one year the contractual fee waivers currently in place, so that the fee waiver as a percentage of average daily Managed Assets for each Fund would be:

Year Ended	% of Average
October 31,	Daily Managed Assets
2010	0.15
2011	0.10
2012	0.05

For the year ended October 31, 2010, such waived fees amounted to \$211,326, \$677,332, and \$181,970 for California, Intermediate, and New York, respectively.

Each Fund retains Management as its administrator under an Administration Agreement. Each Fund pays Management an administration fee at the annual rate of 0.30% of its average daily Managed Assets under this agreement. Additionally, Management retains State Street Bank and Trust Company ("State Street") as its sub-administrator under a Sub-Administration Agreement. Management pays State Street a fee for all services received under the agreement.

Neuberger Berman LLC ("Neuberger") is retained by Management to furnish it with investment recommendations and research information without added cost to the Funds. Several individuals who are officers and/or Directors of each Fund are also employees of Neuberger and/or Management.

On May 4, 2009, NBSH Acquisition, LLC ("NBSH"), an entity organized by key members of Neuberger Berman's senior management, acquired a majority interest in Neuberger Berman's business and the fixed income and certain alternative asset management businesses of Lehman Brothers Holdings Inc.'s ("LBHI") Investment Management Division (together with Neuberger Berman, the "Acquired Businesses") (the "Acquisition"). Prior to that date, the predecessor of Management and Neuberger were wholly owned subsidiaries of LBHI. On September 15, 2008, LBHI filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code, and on December 22, 2008, the bankruptcy court having jurisdiction over the LBHI matter approved the sale of the Acquired Businesses to NBSH (or its successor or assign), as the successful bidder in a public auction.

The Acquired Businesses are now indirectly owned by, among others, portfolio managers, Neuberger Berman's management team, and certain key members and senior professionals who are employed in various parts of the Neuberger Berman complex of companies, with a minority interest retained by LBHI and certain affiliates of LBHI. The closing of the Acquisition resulted in an "assignment" of the Funds' Management Agreements and Sub-Advisory Agreements. Such an assignment, by law, automatically terminated those agreements. Accordingly, prior to the closing, the Board, including the Directors who are not "interested persons" of the Funds' investment manager and its affiliates or the Funds, considered and approved new Management Agreements and new Sub-Advisory Agreements for the Funds. The new agreements, which are virtually identical to those previously in effect, were also approved by a vote of the Funds' shareholders.

These events have not had a material impact on the Funds or their operations. Management and Neuberger continue to operate in the ordinary course of business as the investment manager and sub-adviser, respectively, of the Funds.

Other non-affiliated service providers: Each Fund has an expense offset arrangement in connection with its custodian contract. For the year ended October 31, 2010, the impact of this arrangement was a reduction of expenses of \$463, \$805 and \$371 for California, Intermediate, and New York, respectively.

In connection with the settlement of each AMPS auction, each Fund pays, through the auction agent, a service fee to each participating broker-dealer based upon the aggregate liquidation preference of the AMPS held by the broker-dealer's customers. For any auction preceding a rate period of less than one year, the service fee is paid at the annual rate of 1/4 of 1% for each successful auction, and up to 3/20 of 1% if the auction fails; for any auction preceding a rate period of one year or more, the service fee is paid at a rate agreed to by each Fund and the broker-dealer.

In order to satisfy rating agency requirements, each Fund is required to provide the rating agency that rates its AMPS a report on a monthly basis verifying that each Fund is maintaining eligible assets having a discounted value equal to or greater than the Preferred Shares Basic Maintenance Amount, which is a minimum level set by the rating agency as one of the conditions to maintain its rating on the AMPS. "Discounted value" refers to the fact that the rating agency requires each Fund, in performing this calculation, to discount portfolio securities below their face value, at rates determined by the rating agency. Each Fund pays a fee to State Street for the preparation of this report which is reflected in the Statements of Operations under the caption "Basic maintenance expense."

Note C—Securities Transactions:

During the year ended October 31, 2010, there were purchase and sale transactions

(excluding short-term securities) as follows:

(000's omitted)	Purchases	Sales
California	\$31,869,169	\$ 31,369,140
Intermediate	117,288,764	128,475,105
New York	35,270,988	34,900,836

## Note D—Capital:

At October 31, 2010, the common shares outstanding and the common shares of each Fund owned by Neuberger were as follows:

	Common Shares Outstanding	Common Shares Owned by Neuberger
California	5,507,477	7,820
Intermediate	18,661,983	7,862
New York	5,046,649	7,851

Transactions in common shares for the years ended October 31, 2010 and October 31, 2009, were as follows:

	Shares Issued on Reinvestment of Dividends and Distributions		Redemption of Common Shares (Note E)		Net Increase/(Decrease) in Common Shares Outstanding	
	2010	2009	2010	2009	2010	2009
California	—	—	—	(1,291,877)	—	(1,291,877)
Intermediate	27,371	—	—	(2,070,512)	27,371	(2,070,512)
New York	22,652	—	—	(558,221)	22,652	(558,221)

## Note E—Tender Offer Program:

Each Fund conducted a tender offer in May 2009 for up to 10% of its outstanding common shares at a price equal to 98% of its NAV per share determined on the day the tender offer expired. Under the terms of each tender offer, on June 5, 2009, California, Intermediate and New York accepted 679,935, 2,070,512 and 558,221 common shares, respectively, representing in each case approximately 10% of the Funds' then-outstanding common shares. Final payment was made at \$13.46, \$13.46 and \$13.33 per share for California, Intermediate and New York, respectively, in each case representing 98% of the Fund's NAV per share on May 29, 2009.

In 2009, each Fund's Board authorized a semi-annual tender offer program consisting of up to four tender offers over a two-year period (each, a "Tender Offer Program"). Under each Tender Offer Program, if a Fund's common shares trade at an average daily discount to NAV per share of greater than 10% during a 12-week measurement period, the Fund would conduct a tender offer for between 5% and 20% of its outstanding common shares at a price equal to 98% of its NAV per share determined on the day the tender offer expires.

During the initial measurement period under the Tender Offer Program, each of Intermediate and New York traded at an average daily discount to NAV of less than 10% and, therefore, in accordance with its Tender Offer Program, did not conduct a tender offer. During the initial measurement period under the Tender Offer Program, California, however, traded at an average daily discount to NAV of greater than 10%. As a result, California conducted a tender offer for up to 10% of its outstanding common shares that commenced September 18, 2009 and ended October 16, 2009. Under the terms of the tender offer, on October 23, 2009, California accepted 611,942 common shares, representing approximately 10% of its then outstanding common shares. Final payment was made at \$14.15 per share, representing 98% of the NAV per share on October 16, 2009.

During each Fund's second measurement period under the Tender Offer Program, February 19, 2010 to May 14, 2010, each of California, Intermediate and New York traded at an average daily discount to NAV of less than 10% and, therefore, in accordance with its Tender Offer Program, did not conduct a tender offer.

During each Fund's third measurement period under the Tender Offer Program, August 18, 2010 to November 10, 2010, each of California, Intermediate and New York traded at an average daily discount to NAV of less than 10% and, therefore, in accordance with its Tender Offer Program, did not conduct a tender offer.

In connection with each Fund's May 2009 tender offer and the adoption of the Tender Offer Program by each Fund, Management agreed to voluntarily extend for one year the contractual fee waivers currently in place for each Fund to offset some of the expenses associated with, or possible increases in each Fund's expense ratio resulting from, the tender offers (see Note B for additional disclosure). Each Board retains the ability, consistent with its fiduciary duty, to opt out of its Tender Offer Program should circumstances arise that the Board believes could cause a material negative effect on its Fund or its Fund's shareholders.

Note F—Recent Market Events:

Recent events in the financial sector have resulted in an unusually high degree of volatility in the financial markets and the economy at large. Both domestic and international equity and fixed income markets have been experiencing heightened volatility and turmoil, with issuers that have exposure to the real estate, mortgage and credit markets particularly affected. It is uncertain how long these conditions will continue.

In addition to the recent unprecedented turbulence in financial markets, the reduced liquidity in credit and fixed income markets may negatively affect many issuers worldwide. Illiquidity in these markets may mean there is less money available to purchase raw materials, goods and services, which may, in turn, bring down the prices of these economic staples. It may also result in issuers having more difficulty obtaining financing and ultimately a decline in their stock prices. These events and the potential for continuing market turbulence may have an adverse effect on each Fund.

The U.S. federal government and certain foreign central banks have acted to calm credit markets and increase confidence in the U.S. and world economies. Certain of these entities have injected liquidity into the markets and taken other steps in an effort to stabilize the markets and grow the economy. The ultimate effect of these efforts is, of course, not yet known. Withdrawal of this support, or other policy changes by governments or central banks, could negatively affect the value and liquidity of certain securities.

The situation in the financial markets has resulted in calls for increased regulation, and the need of many financial institutions for government help has given lawmakers and regulators new leverage. In response, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), was signed into law initiating a dramatic revision of the U.S. financial regulatory framework that is now expected to unfold over several years. The Dodd-Frank Act covers a broad range of topics, including (among many others) a reorganization of federal financial regulators; a process intended to ensure financial systemic stability and the resolution of potentially insolvent financial firms; new rules for derivatives trading; the creation of a consumer financial protection watchdog; the registration and additional regulation of hedge and private equity fund managers; and new federal requirements for residential mortgage loans. Instruments in which the Funds invest, or the issuers of such instruments, may be affected by the new legislation and regulation in ways that are unforeseeable. The ultimate impact of the Dodd-Frank Act, and any resulting regulations, is not yet certain.

Because the situation in the markets is widespread and largely unprecedented, it may be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the severity or duration of these market events.





## Financial Highlights

### California Intermediate Municipal Fund

The following table includes selected data for a share outstanding throughout each year and other performance information derived from the Financial Statements.

	Year Ended October 31,				
	2010	2009	2008	2007	2006
Common Share Net Asset Value, Beginning of Year	\$ 14.41	\$ 12.99	\$ 14.60	\$ 15.00	\$ 14.68
Income From Investment Operations Applicable to Common Shareholders:					
Net Investment Income (Loss)¢	.98	.88	.92	.94	.94
Net Gains or Losses on Securities (both realized and unrealized)	.71	1.22	(1.58)	(.35)	.37
Common Share Equivalent of Distributions to Preferred Shareholders From:					
Net Investment Income¢	(.04)	(.08)	(.31)	(.30)	(.27)
Total From Investment Operations Applicable to Common Shareholders	1.65	2.02	(.97)	.29	1.04
Less Distributions to Common Shareholders From:					
Net Investment Income	(.81)	(.66)	(.64)	(.69)	(.72)
Accretive Effect of Tender Offer	—	.06	—	—	—
Common Share Net Asset Value, End of Year	\$ 15.25	\$ 14.41	\$ 12.99	\$ 14.60	\$ 15.00
Common Share Market Value, End of Year	\$ 14.56	\$ 13.14	\$ 10.73	\$ 13.08	\$ 14.65
Total Return, Common Share Net Asset Value†	12.07%	17.12%	(6.39)%	2.16%	7.51%
Total Return, Common Share Market Value†	17.34%	29.29%	(13.69)%	(6.29)%	12.10%
Supplemental Data/Ratios††					
Net Assets Applicable to Common Shareholders, End of Year (in millions)					
	\$ 84.0	\$ 79.3	\$ 88.3	\$ 99.3	\$ 101.9
Preferred Shares	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0	\$ 59.0

Outstanding, End of  
Year (in millions)

Preferred Shares Liquidation and Market Value Per Share	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
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Ratios are calculated using Average Net Assets

Applicable to Common Shareholders

Ratio of Gross Expenses#	1.34%	1.34%	1.03%	.94%	.93%
Ratio of Net Expenses‡	1.33%	1.34%	1.02%	.94%	.93%
Ratio of Net Investment Income (Loss) Excluding Preferred Share DistributionsØØ	6.60%	6.51%	6.45%	6.36%	6.36%
Portfolio Turnover Rate	23%	27%	14%	3%	3%
Asset Coverage Per Preferred Share, End of Year@	\$60,597	\$58,620	\$62,432	\$67,108	\$68,208

See Notes to Financial Highlights

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**Financial Highlights**
**Intermediate Municipal Fund**

The following table includes selected data for a share outstanding throughout each year and other performance information derived from the Financial Statements.

	Year Ended October 31,				
	2010	2009	2008	2007	2006
<b>Common Share Net Asset Value, Beginning of Year</b>	\$ 14.15	\$ 13.01	\$ 14.55	\$ 14.91	\$ 14.68
<b>Income From Investment Operations Applicable to Common Shareholders:</b>					
Net Investment Income (Loss)¢	.99	.95	.97	.98	.97
Net Gains or Losses on Securities (both realized and unrealized)	.67	.91	(1.53)	(.35)	.30
<b>Common Share Equivalent of Distributions to Preferred Shareholders From:</b>					
Net Investment Income¢	(.04)	(.08)	(.33)	(.32)	(.29)
<b>Total From Investment Operations Applicable to Common Shareholders</b>	<b>1.62</b>	<b>1.78</b>	<b>(.89)</b>	<b>.31</b>	<b>.98</b>
<b>Less Distributions to Common Shareholders From:</b>					
Net Investment Income	(.83)	(.67)	(.65)	(.67)	(.75)
Accretive Effect of Tender Offer	—	.03	—	—	—
<b>Common Share Net Asset Value, End of Year</b>	<b>\$ 14.94</b>	<b>\$ 14.15</b>	<b>\$ 13.01</b>	<b>\$ 14.55</b>	<b>\$ 14.91</b>
<b>Common Share Market Value, End of Year</b>	<b>\$ 14.80</b>	<b>\$ 13.01</b>	<b>\$ 11.00</b>	<b>\$ 12.86</b>	<b>\$ 14.22</b>
<b>Total Return, Common Share Net Asset Value†</b>	<b>11.89%</b>	<b>14.73%</b>	<b>(5.87)%</b>	<b>2.48%</b>	<b>7.22%</b>
<b>Total Return, Common Share Market Value†</b>	<b>20.56%</b>	<b>24.76%</b>	<b>(9.95)%</b>	<b>(5.03)%</b>	<b>10.22%</b>
<b>Supplemental Data/Ratios††</b>					
<b>Net Assets Applicable to Common Shareholders, End of Year (in millions)</b>	<b>\$ 278.9</b>	<b>\$ 263.6</b>	<b>\$ 269.3</b>	<b>\$ 301.3</b>	<b>\$ 308.7</b>
<b>Preferred Shares</b>	<b>\$ 179.4</b>	<b>\$ 179.4</b>	<b>\$ 179.4</b>	<b>\$ 179.4</b>	<b>\$ 179.4</b>

Outstanding, End of  
Year (in millions)

Preferred Shares Liquidation and Market Value Per Share	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
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Ratios are calculated using Average Net Assets

Applicable to Common Shareholders

Ratio of Gross Expenses#	1.05%	1.09%	.87%	.79%	.78%
Ratio of Net Expenses‡	1.05%	1.08%	.86%	.78%	.78%
Ratio of Net Investment Income (Loss) Excluding Preferred Share DistributionsØØ	6.75%	6.98%	6.80%	6.65%	6.61%
Portfolio Turnover Rate	26%	40%	8%	4%	6%
Asset Coverage Per Preferred Share, End of Year@	\$63,870	\$61,743	\$62,606	\$67,027	\$68,048

See Notes to Financial Highlights

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**Financial Highlights**
**New York Intermediate Municipal Fund**

The following table includes selected data for a share outstanding throughout each year and other performance information derived from the Financial Statements.

	Year Ended October 31,				
	2010	2009	2008	2007	2006
<b>Common Share Net Asset Value, Beginning of Year</b>	\$ 14.07	\$ 12.73	\$ 14.34	\$ 14.69	\$ 14.47
<b>Income From Investment Operations Applicable to Common Shareholders:</b>					
Net Investment Income (Loss)¢	.92	.89	.94	.95	.96
Net Gains or Losses on Securities (both realized and unrealized)	.67	1.16	(1.60)	(.33)	.29
<b>Common Share Equivalent of Distributions to Preferred Shareholders From:</b>					
Net Investment Income¢	(.04)	(.08)	(.31)	(.30)	(.28)
<b>Total From Investment Operations Applicable to Common Shareholders</b>	1.55	1.97	(.97)	.32	.97
<b>Less Distributions to Common Shareholders From:</b>					
Net Investment Income	(.77)	(.66)	(.64)	(.67)	(.75)
Accretive Effect of Tender Offer	—	.03	—	—	—
<b>Common Share Net Asset Value, End of Year</b>	\$ 14.85	\$ 14.07	\$ 12.73	\$ 14.34	\$ 14.69
<b>Common Share Market Value, End of Year</b>	\$ 14.95	\$ 12.88	\$ 10.57	\$ 12.99	\$ 14.60
<b>Total Return, Common Share Net Asset Value†</b>	11.43%	16.74%	(6.50)%	2.50%	7.05%
<b>Total Return, Common Share Market Value†</b>	22.54%	28.71%	(14.30)%	(6.58)%	13.70%
<b>Supplemental Data/Ratios††</b>					
<b>Net Assets Applicable to Common Shareholders, End of Year (in millions)</b>	\$ 74.9	\$ 70.7	\$ 71.1	\$ 80.0	\$ 81.9
<b>Preferred Shares</b>	\$ 48.3	\$ 48.3	\$ 48.3	\$ 48.3	\$ 48.3

Outstanding, End of  
Year (in millions)

Preferred Shares Liquidation and Market Value Per Share	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
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Ratios are calculated using Average Net Assets

Applicable to Common Shareholders

Ratio of Gross Expenses#	1.30%	1.37%	1.09%	1.00%	.98%
Ratio of Net Expenses‡	1.30%	1.37%	1.09%	1.00%	.98%
Ratio of Net Investment Income (Loss) Excluding Preferred Share DistributionsØØ	6.37%	6.70%	6.64%	6.56%	6.60%
Portfolio Turnover Rate	29%	33%	10%	1%	5%
Asset Coverage Per Preferred Share, End of Year@	\$63,835	\$61,627	\$61,892	\$66,496	\$67,488

See Notes to Financial Highlights

## Notes to Financial Highlights Intermediate Municipal Closed-End Funds

- † Total return based on per share NAV reflects the effects of changes in NAV on the performance of each Fund during each fiscal period. Total return based on per share market value assumes the purchase of common shares at the market price on the first day and sale of common shares at the market price on the last day of the period indicated. Dividends and distributions, if any, are assumed to be reinvested at prices obtained under each Fund's distribution reinvestment plan. Results represent past performance and do not guarantee future results. Current returns may be lower or higher than the performance data quoted. Investment returns may fluctuate and shares when sold may be worth more or less than original cost. For each Fund, total return would have been lower if Management had not waived a portion of the investment management fee.
- # The Fund is required to calculate an expense ratio without taking into consideration any expense reductions related to expense offset arrangements.
- ‡ After waiver of a portion of the investment management fee by Management. Had Management not undertaken such action, the annualized ratios of net expenses to average daily net assets applicable to common shareholders would have been:

	Year Ended October 31,				
	2010	2009	2008	2007	2006
California	1.59%	1.59%	1.34%	1.34%	1.32%
Intermediate	1.30%	1.33%	1.19%	1.18%	1.17%
New York	1.55%	1.62%	1.41%	1.40%	1.38%

@ Calculated by subtracting the Fund's total liabilities (excluding accumulated unpaid distributions on AMPS) from the Fund's total assets and dividing by the number of AMPS outstanding.

†† Expense ratios do not include the effect of distributions to holders of AMPS. Income ratios include income earned on assets attributable to AMPS outstanding.

¢ Calculated based on the average number of shares outstanding during each fiscal period.

∅∅ The annualized ratios of preferred share distributions to average net assets applicable to common shareholders were:

	Year Ended October 31,				
	2010	2009	2008	2007	2006
California	.29%	.58%	2.17%	2.02%	1.86%
Intermediate	.27%	.57%	2.27%	2.20%	1.95%
New York	.27%	.59%	2.19%	2.07%	1.90%



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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of  
Neuberger Berman California Intermediate Municipal Fund Inc.  
Neuberger Berman Intermediate Municipal Fund Inc.  
Neuberger Berman New York Intermediate Municipal Fund Inc.

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc. and Neuberger Berman New York Intermediate Municipal Fund Inc. (the "Funds") as of October 31, 2010, and the related statements 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 Funds' 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 audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' 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 and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2010 by correspondence with the custodian and brokers. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and the financial highlights referred to above present fairly, in all material respects, the financial position of Neuberger Berman California Intermediate Municipal Fund Inc., Neuberger Berman Intermediate Municipal Fund Inc., and Neuberger Berman New York Intermediate Municipal Fund Inc. at October 31, 2010, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and financial highlights for each of the five years in the period then ended, in conformity with U.S. generally accepted accounting principles.

Boston, Massachusetts  
December 17, 2010

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## Distribution Reinvestment Plan

The Bank of New York Mellon ("Plan Agent") will act as Plan Agent for shareholders who have not elected in writing to receive dividends and distributions in cash (each a "Participant"), will open an account for each Participant under the Distribution Reinvestment Plan ("Plan") in the same name as their then current Shares are registered, and will put the Plan into effect for each Participant as of the first record date for a dividend or capital gains distribution.

Whenever the Fund declares a dividend or distribution with respect to the common stock of the Fund ("Shares"), each Participant will receive such dividends and distributions in additional Shares, including fractional Shares acquired by the Plan Agent and credited to each Participant's account. If on the payment date for a cash dividend or distribution, the net asset value is equal to or less than the market price per Share plus estimated brokerage commissions, the Plan Agent shall automatically receive such Shares, including fractions, for each Participant's account. Except in the circumstances described in the next paragraph, the number of additional Shares to be credited to each Participant's account shall be determined by dividing the dollar amount of the dividend or distribution payable on their Shares by the greater of the net asset value per Share determined as of the date of purchase or 95% of the then current market price per Share on the payment date.

Should the net asset value per Share exceed the market price per Share plus estimated brokerage commissions on the payment date for a cash dividend or distribution, the Plan Agent or a broker-dealer selected by the Plan Agent shall endeavor, for a purchase period lasting until the last business day before the next date on which the Shares trade on an "ex-dividend" basis, but in no event, except as provided below, more than 30 days after the payment date, to apply the amount of such dividend or distribution on each Participant's Shares (less their pro rata share of brokerage commissions incurred with respect to the Plan Agent's open-market purchases in connection with the reinvestment of such dividend or distribution) to purchase Shares on the open market for each Participant's account. No such purchases may be made more than 30 days after the payment date for such dividend or distribution except where temporary curtailment or suspension of purchase is necessary to comply with applicable provisions of federal securities laws. If, at the close of business on any day during the purchase period the net asset value per Share equals or is less than the market price per Share plus estimated brokerage commissions, the Plan Agent will not make any further open-market purchases in connection with the reinvestment of such dividend or distribution. If the Plan Agent is unable to invest the full dividend or distribution amount through open-market purchases during the purchase period, the Plan Agent shall request that, with respect to the uninvested portion of such dividend or distribution amount, the Fund issue new Shares at the close of business on the earlier of the last day of the purchase period or the first day during the purchase period on which the net asset value per Share equals or is less than the market price per Share, plus estimated brokerage commissions, such Shares to be issued in accordance with the terms specified in the third paragraph hereof. These newly issued Shares will be valued at the then-current market price per Share at the time such Shares are to be issued.

For purposes of making the reinvestment purchase comparison under the Plan, (a) the market price of the Shares on a particular date shall be the last sales price on the New York Stock Exchange (or if the Shares are not listed on the New York Stock Exchange, such other exchange on which the Shares are principally traded) on that date, or, if there is no sale on such Exchange (or if not so listed, in the over-the-counter market) on that date, then the mean between the closing bid and asked quotations for such Shares on such Exchange on such date and (b) the net asset value per Share on a particular date shall be the net asset value per Share most recently calculated by or on behalf of the Fund. All dividends, distributions and other payments (whether made in cash or Shares) shall be made net of any applicable withholding tax.

Open-market purchases provided for above may be made on any securities exchange where the Fund's Shares are

traded, in the over-the-counter market or in negotiated transactions and may be on such terms as to price, delivery and otherwise as the Plan Agent shall determine. Each Participant's uninvested funds held by the Plan Agent will not bear interest, and it is understood that, in any event, the Plan Agent shall have no liability in connection with any inability to purchase Shares within 30 days after the initial date of such purchase as herein provided, or with the timing of any purchases effected. The Plan Agent shall have no responsibility as to the value of the Shares acquired for each Participant's account. For the

purpose of cash investments, the Plan Agent may commingle each Participant's funds with those of other shareholders of the Fund for whom the Plan Agent similarly acts as agent, and the average price (including brokerage commissions) of all Shares purchased by the Plan Agent as Plan Agent shall be the price per Share allocable to each Participant in connection therewith.

The Plan Agent may hold each Participant's Shares acquired pursuant to the Plan together with the Shares of other shareholders of the Fund acquired pursuant to the Plan in noncertificated form in the Plan Agent's name or that of the Plan Agent's nominee. The Plan Agent will forward to each Participant any proxy solicitation material and will vote any Shares so held for each Participant only in accordance with the instructions set forth on proxies returned by the Participant to the Fund.

The Plan Agent will confirm to each Participant each acquisition made for their account as soon as practicable but not later than 60 days after the date thereof. Although each Participant may from time to time have an undivided fractional interest (computed to three decimal places) in a Share, no certificates for a fractional Share will be issued. However, dividends and distributions on fractional Shares will be credited to each Participant's account. In the event of termination of a Participant's account under the Plan, the Plan Agent will adjust for any such undivided fractional interest in cash at the market value of the Shares at the time of termination, less the pro rata expense of any sale required to make such an adjustment.

Any Share dividends or split Shares distributed by the Fund on Shares held by the Plan Agent for Participants will be credited to their accounts. In the event that the Fund makes available to its shareholders rights to purchase additional Shares or other securities, the Shares held for each Participant under the Plan will be added to other Shares held by the Participant in calculating the number of rights to be issued to each Participant.

The Plan Agent's service fee for handling capital gains distributions or income dividends will be paid by the Fund. Participants will be charged their pro rata share of brokerage commissions on all open-market purchases.

Each Participant may terminate their account under the Plan by notifying the Plan Agent in writing. Such termination will be effective immediately if the Participant's notice is received by the Plan Agent not less than ten days prior to any dividend or distribution record date, otherwise such termination will be effective the first trading day after the payment date for such dividend or distribution with respect to any subsequent dividend or distribution. The Plan may be terminated by the Plan Agent or the Fund upon notice in writing mailed to each Participant at least 30 days prior to any record date for the payment of any dividend or distribution by the Fund.

These terms and conditions may be amended or supplemented by the Plan Agent or the Fund at any time or times but, except when necessary or appropriate to comply with applicable law or the rules or policies of the Securities and Exchange Commission or any other regulatory authority, only by mailing to each Participant appropriate written notice at least 30 days prior to the effective date thereof. The amendment or supplement shall be deemed to be accepted by each Participant unless, prior to the effective date thereof, the Plan Agent receives written notice of the termination of their account under the Plan. Any such amendment may include an appointment by the Plan Agent in its place and stead of a successor Plan Agent under these terms and conditions, with full power and authority to perform all or any of the acts to be performed by the Plan Agent under these terms and conditions. Upon any such appointment of any Plan Agent for the purpose of receiving dividends and distributions, the Fund will be authorized to pay to such successor Plan Agent, for each Participant's account, all dividends and distributions payable on Shares held in their name or under the Plan for retention or application by such successor Plan Agent as provided in these terms and conditions.

The Plan Agent shall at all times act in good faith and agrees to use its best efforts within reasonable limits to ensure the accuracy of all services performed under this Agreement and to comply with applicable law, but assumes no responsibility and shall not be liable for loss or damage due to errors unless such error is caused by the Plan Agent's negligence, bad faith, or willful misconduct or that of its employees.

These terms and conditions are governed by the laws of the State of Maryland.

Directory

Investment Manager and Administrator  
Neuberger Berman Management LLC  
605 Third Avenue, 2nd Floor  
New York, NY 10158-0180  
877.461.1899 or 212.476.8800

Stock Transfer Agent  
The Bank of New York Mellon  
480 Washington Boulevard  
Jersey City, NJ 07317

Sub-Adviser  
Neuberger Berman LLC  
605 Third Avenue  
New York, NY 10158-3698

Legal Counsel  
K&L Gates LLP  
1601 K Street, NW  
Washington, DC 20006

Custodian  
State Street Bank and Trust Company  
2 Avenue de Lafayette  
Boston, MA 02111

Independent Registered Public Accounting  
Firm  
Ernst & Young LLP  
200 Clarendon Street  
Boston, MA 02116

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 Directors and Officers

The following tables set forth information concerning the directors ("Directors") and officers ("Officers") of each of the Funds. All persons named as Directors and Officers also serve in similar capacities for other funds administered or managed by Management and Neuberger. Each Fund's Statement of Additional Information includes additional information about Directors as of the time of each Fund's most recent public offering and is available upon request, without charge, by calling (877) 461-1899.

## Information about each Board of Directors

Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
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## CLASS I

## Independent Directors

Faith Colish (1935)	Director since 2002	Counsel, Carter Ledyard & Milburn LLP (law firm) since October 2002; formerly, Attorney-at-Law and President, Faith Colish, A Professional Corporation, 1980 to 2002.	43	Formerly, Director, 1997 to 2003, and Advisory Director, 2003 to 2006; ABA Retirement Funds (formerly, American Bar Retirement Association) (not-for-profit membership corporation).
Michael M. Knetter (1960)	Director since 2007	President and Chief Executive Officer, University of Wisconsin Foundation, October 2010 to Present; formerly, Dean, School of Business, University of Wisconsin — Madison; formerly, Professor of International Economics and Associate Dean, Amos Tuck School of Business — Dartmouth College, 1998 to 2002.	43	Director, American Family Insurance (a mutual company, not publicly traded), since March 2009; Trustee, Northwestern Mutual Series Fund, Inc., since February 2007; Director, Wausau Paper, since 2005; formerly, Director, Great Wolf Resorts, 2004 to 2009.





Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
Cornelius T. Ryan (1931)	Director since 2002	General Partner and Adviser, TD2, TD3, and TOF1 Healthcare Venture Capital Partnerships; Founding General Partner, Oxford Partners and Oxford Bioscience Partners (venture capital investing) and President, Oxford Venture Corporation, since 1981.	43	Trustee, Norwalk Hospital Foundation, since 2000; Director, Supply Pro (privately held company), since 2008; formerly, Trustee, Norwalk Hospital, 1995 to 2004; formerly, President and Director, Randolph Computer Corp. , 1966 to 1984; formerly, Director of numerous privately held portfolio companies of Oxford Partners and Oxford Bio Science Partners, 1981 to 2005.
Peter P. Trapp (1944)	Director since 2002	Retired; formerly, Regional Manager for Mid-Southern Region, Ford Motor Credit Company, September 1997 to 2007; formerly, President, Ford Life Insurance Company, April 1995 to August 1997.	43	None.
Director who is an "Interested Person"				
Robert Conti* (1956)	Chief Executive Officer, President and Director since 2008; prior	Managing Director, Neuberger, since 2007; formerly, Senior Vice President, Neuberger, 2003 to 2006; formerly, Vice President, Neuberger, 1999 to 2003; President and Chief Executive	43	Chairman of the Board, Staten Island Mental Health Society since 2008.

thereto, Executive Vice President in 2008 and Vice President 2006 to 2008	Officer, Management, since 2008; formerly, Senior Vice President, Management, 2000 to 2008.
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Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
CLASS II				
Independent Directors				
John Cannon (1930)	Director since 2002	Consultant; formerly, Chairman, CDC Investment Advisers (registered investment adviser), 1993 to January 1999; formerly, President and Chief Executive Officer, AMA Investment Advisers, an affiliate of the American Medical Association.	43	Formerly, Independent Trustee or Director of three series of Oppenheimer Funds: Oppenheimer Limited Term New York Municipal Fund, Rochester Fund Municipals, and Oppenheimer Convertible Securities Fund, 1992 to 2009.
C. Anne Harvey (1937)	Director since 2002	President, C.A. Harvey Associates, since October 2001; formerly, Director, AARP, 1978 to December 2001.	43	Formerly, President, Board of Associates to The National Rehabilitation Hospital's Board of Directors, 2001 to 2002; formerly, Member, Individual Investors Advisory Committee to the New York Stock Exchange Board of Directors, 1998 to 2002.
George W. Morriss (1947)	Director since 2007	General Partner, Seip Investments LP (a private investment partnership); formerly, President and CEO, Westaff, Inc. (temporary staffing), May 2001 to January 2002; formerly, Senior Executive, The Charles	43	Manager, Old Mutual Funds of Hedge Funds fund complex (consisting of six funds) since 2006 for four funds and since 2007 for two funds; formerly, Member NASDAQ Issuers' Affairs

Schwab Corporation, 1983  
to 1998, including Chief  
Executive Officer, Charles  
Schwab Investment  
Management, Inc.;  
Trustee, Schwab Family of  
Funds and Schwab  
Investments, 1997 to 1998;  
and Executive Vice  
President-Retail  
Brokerage, Charles  
Schwab & Co., Inc., 1994  
to 1997.

Committee, 1995 to  
2003.

Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
Tom D. Seip (1950)	Director since 2002; Chairman of the Board since 2008; Lead Independent Director from 2006 to 2008	General Partner, Seip Investments LP (a private investment partnership); formerly, President and CEO, Weststaff, Inc. (temporary staffing), May 2001 to January 2002; formerly, Senior Executive at the Charles Schwab Corporation, 1983 to 1998, including Chief Executive Officer, Charles Schwab Investment Management, Inc., and Trustee, Schwab Family of Funds and Schwab Investments, 1997 to 1998, and Executive Vice President-Retail Brokerage, Charles Schwab & Co., Inc., 1994 to 1997.	43	Director, H&R Block, Inc. (financial services company), since May 2001; Chairman, Compensation Committee, H&R Block, Inc., since 2006; formerly, Director, Forward Management, Inc. (asset management company), 1999 to 2006.

## Director who is an "Interested Person"

Jack L. Rivkin* (1940)	Director since 2002; formerly, President 2002 to 2008	Formerly, Executive Vice President and Chief Investment Officer, Neuberger Berman Holdings LLC (holding company), 2002 to August 2008 and 2003 to August 2008, respectively; formerly, Managing Director and Chief Investment Officer, Neuberger, December 2005 to August 2008 and 2003 to August 2008,	43	Director, Idealab (private company), since 2009; Director, Distributed World Power (private company), since 2009; Director, Dale Carnegie and Associates, Inc. (private company), since 1999; Director, Solbright, Inc. (private company), since 1998; Director, SA Agricultural Fund, since
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respectively; formerly, Executive Vice President, Neuberger, December 2002 to 2005; formerly, Director and Chairman, Management, December 2002 to August 2008; formerly, Executive Vice President, Citigroup Investments, Inc., September 1995 to February 2002; formerly, Executive Vice President, Citigroup Inc., September 1995 to February 2002.

2009; Chairman and Director, Essential Brands (consumer products) since 2008; formerly, Director, New York Society of Security Analysts, 2006 to 2008.

Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
<b>CLASS III</b>				
<b>Independent Directors</b>				
Martha C. Goss (1949)	Director since 2007	President, Woodhill Enterprises Inc./Chase Hollow Associates LLC (personal investment vehicle), since 2006; Chief Operating and Financial Officer, Hopewell Holdings LLC/ Amwell Holdings, LLC (a holding company for a healthcare reinsurance company start-up), since 2003; formerly, Consultant, Resources Connection (temporary staffing), 2002 to 2006.	43	Director, Ocwen Financial Corporation (mortgage servicing), since 2005; Director, American Water (water utility), since 2003; Director, Channel Reinsurance (financial guaranty reinsurance), since 2006; Director, Allianz Life of New York (insurance), since 2005; Director, Financial Women's Association of New York (not -for -profit association), since 2003; Trustee Emerita, Brown University, since 1998; formerly, Advisory Board Member, Attensity (software developer), 2005 to 2007; formerly, Director, Bank Leumi (commercial bank), 2005 to 2007; formerly, Director, Claire's Stores, Inc. (retailer), 2005 to 2007.
Robert A. Kavesh (1927)	Director since 2002	Retired; Marcus Nadler Professor Emeritus of Finance and Economics, New York University Stern School of Business; formerly, Executive Secretary-Treasurer,	43	Formerly, Director, The Caring Community (not-for-profit), 1997 to 2006; formerly, Director, DEL Laboratories, Inc. (cosmetics and pharmaceuticals), 1978 to

American Finance  
Association, 1961 to 1979.

2004; formerly, Director,  
Apple Bank for Savings,  
1979 to 1990; formerly,  
Director, Western Pacific  
Industries, Inc., (public  
company), 1972 to 1986.



Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
Howard A. Mileaf (1937)	Director since 2002	Retired; formerly, Vice President and General Counsel, WHX Corporation (holding company), 1993 to 2001.	43	Formerly, Director, Webfinancial Corporation (holding company), 2002 to 2008; formerly, Director, WHX Corporation (holding company), 2002 to 2005; formerly, Director, State Theatre of New Jersey (not-for-profit theatre), 2000 to 2005.
Edward I. O'Brien (1928)	Director since 2002	Retired; formerly, Member, Investment Policy Committee, Edward Jones, 1993 to 2001; President, Securities Industry Association ("SIA") (securities industry's representative in government relations and regulatory matters at the federal and state levels), 1974 to 1992; Adviser to SIA, November 1992 to November 1993.	43	Formerly, Director, Legg Mason, Inc. (financial services holding company), 1993 to July 2008; formerly, Director, Boston Financial Group (real estate and tax shelters), 1993 to 1999.
Candace L. Straight (1947)	Director since 2002	Private investor and consultant specializing in the insurance industry; formerly, Advisory Director, Securitas Capital LLC (a global private equity investment firm dedicated to making investments in the insurance sector), 1998 to	43	Director, Montpelier Re Holdings Ltd. (reinsurance company), since 2006; formerly, Director, National Atlantic Holdings Corporation (property and casualty insurance company), 2004 to 2008; formerly,

December 2003.

Director, The Proformance Insurance Company (property and casualty insurance company), 2004 to 2008; formerly, Director, Providence Washington Insurance Company (property and casualty insurance company), 1998 to 2006; formerly, Director, Summit Global Partners (insurance brokerage firm), 2000 to 2005.

Name, (Year of Birth) and Address(1)	Position(2) with Each Fund and Length of Time Served	Principal Occupation(s)(3)	Number of Portfolios in Fund Complex Overseen by Director	Other Directorships Held Outside Fund Complex by Director
Director who is an "Interested Person"				
Joseph V. Amato* (1962)	Director since 2008	President and Director, Neuberger Berman Group LLC, since 2009; President and Chief Executive Officer, Neuberger and Neuberger Berman Holdings LLC (including its predecessor, Neuberger Berman Inc.), since 2007; Chief Investment Officer, Neuberger, since 2009; Chief Investment Officer (Equities) and Managing Director, Management, since 2009; Managing Director, Neuberger Berman Fixed Income LLC (formerly known as Lehman Brothers Asset Management LLC) ("NBFI"), since 2007; Board member of NBFI since 2006; formerly, Global Head of Asset Management of LBHI Investment Management Division, 2006 to 2009; formerly, member of LBHI's Investment Management Division's Executive Management Committee, 2006 to 2009; formerly, Managing Director, Lehman Brothers Inc. ("LBI"), 2006 to 2008; formerly, Chief	43	Member of Board of Advisors, McDonough School of Business, Georgetown University, since 2001; Member of New York City Board of Advisors, Teach for America, since 2005; Trustee, Montclair Kimberley Academy (private school), since 2007.

Recruiting and  
Development Officer,  
LBI, 2005 to 2006;  
formerly, Global Head of  
LBI's Equity Sales and a  
Member of its Equities  
Division Executive  
Committee, 2003 to 2005.

- (1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.
- (2) The Board of Directors shall at times be divided as equally as possible into three classes of Directors designated Class I, Class II, and Class III. The terms of office of Class I, Class II, and Class III Directors shall expire at the annual meeting of shareholders held in 2012, 2013, and 2011, respectively, and at each third annual meeting of shareholders thereafter.
- (3) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.

- \* Indicates a Fund Director who is an "interested person" within the meaning of the 1940 Act. Mr. Amato and Mr. Conti are interested persons of the Funds by virtue of the fact that each is an officer of Management, Neuberger and/or their affiliates. Mr. Rivkin may be deemed an interested person of the Funds by virtue of the fact that, until August 2008, he was a director of Management and an officer of Neuberger.

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Information about the Officers of each Fund

Name, (Year of Birth), and Address(1)	Position and Length of Time Served	Principal Occupation(s)(2)
Andrew B. Allard (1961)	Anti-Money Laundering Compliance Officer since 2002	Senior Vice President, Neuberger, since 2006; Deputy General Counsel, Neuberger, since 2004; formerly, Vice President, Neuberger, 2000 to 2005; Anti-Money Laundering Compliance Officer, nine registered investment companies for which Management acts as investment manager and administrator (six since 2002, one since 2003, one since 2005 and one since 2006).
Claudia A. Brandon (1956)	Executive Vice President since 2008 and Secretary since 2002	Senior Vice President, Neuberger, since 2007 and Employee since 1999; Senior Vice President, Management, since 2008 and Assistant Secretary since 2004; formerly, Vice President, Neuberger, 2002 to 2006; formerly, Vice President-Mutual Fund Board Relations, Management, 2000 to 2008; Executive Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008); Secretary, nine registered investment companies for which Management acts as investment manager and administrator (three since 1985, three since 2002, one since 2003, one since 2005 and one since 2006).
Maxine L. Gerson (1950)	Executive Vice President since 2008 and Chief Legal Officer since 2005 (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002)	Managing Director, Neuberger, since 2009, and Deputy General Counsel and Assistant Secretary Neuberger since 2001; Managing Director, Management, since 2009, and Secretary and General Counsel, Management, since 2004; formerly, Senior Vice President, Neuberger, 2002 to 2009; formerly, Senior Vice President, Management, 2006 to 2009; Executive Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008); Chief Legal Officer (only for purposes of sections 307 and 406 of the Sarbanes-Oxley Act of 2002), nine registered investment companies for which Management acts as investment manager and administrator (eight since 2005 and one since 2006).

Sheila R. James (1965)	Assistant Secretary since 2002	Vice President, Neuberger, since 2008 and Employee since 1999; formerly, Assistant Vice President, Neuberger, 2007; Assistant Secretary, nine registered investment companies for which Management acts as investment manager and administrator (six since 2002, one since 2003, one since 2005 and one since 2006).
Brian Kerrane (1969)	Vice President since 2008	Senior Vice President, Neuberger, since 2006; formerly, Vice President, Neuberger, 2002 to 2006; Vice President, Management, since 2008 and Employee since 1991; Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008).
Kevin Lyons (1955)	Assistant Secretary since 2003	Assistant Vice President, Neuberger, since 2008 and Employee since 1999; Assistant Secretary, nine registered investment companies for which Management acts as investment manager and administrator (seven since 2003, one since 2005 and one since 2006).

Name, (Year of Birth), and Address(1)	Position and Length of Time Served	Principal Occupation(s)(2)
Owen F. McEntee, Jr. (1961)	Vice President since 2008	Vice President, Neuberger, since 2006; Employee, Management, since 1992; Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008).
John M. McGovern (1970)	Treasurer and Principal Financial and Accounting Officer since 2005	Senior Vice President, Neuberger, since 2007; formerly, Vice President, Neuberger, 2004 to 2006; Employee, Management, since 1993; Treasurer and Principal Financial and Accounting Officer, nine registered investment companies for which Management acts as investment manager and administrator (eight since 2005 and one since 2006); formerly, Assistant Treasurer, eight registered investment companies for which Management acts as investment manager and administrator, 2002 to 2005.
Andrew Provencher (1965)	Vice President since 2008	Managing Director, Management, since 2008; Managing Director, Neuberger, since 2005; formerly, Senior Vice President, Neuberger, 2003 to 2005; Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008).
Frank Rosato (1971)	Assistant Treasurer since 2005	Vice President, Neuberger, since 2006; Employee, Management, since 1995; Assistant Treasurer, nine registered investment companies for which Management acts as investment manager and administrator (eight since 2005 and one since 2006).
Neil S. Siegel (1967)	Vice President since 2008	Managing Director, Management, since 2008; Managing Director, Neuberger, since 2006; formerly, Senior Vice President, Neuberger, 2004 to 2006; Vice President, nine registered investment companies for which Management acts as investment manager and administrator (nine since 2008).
Chamaine	Chief	Senior Vice President, Neuberger, since 2007;



Williams (1971)	Compliance Officer since 2005	Chief Compliance Officer, Management, since 2006; Chief Compliance Officer, nine registered investment companies for which Management acts as investment manager and administrator (eight since 2005 and one since 2006); formerly, Senior Vice President, LBI, 2007 to 2008; formerly, Vice President, LBI, 2003 to 2006; formerly, Chief Compliance Officer, Lehman Brothers Asset Management Inc., 2003 to 2007; formerly, Chief Compliance Officer, Lehman Brothers Alternative Investment Management LLC, 2003 to 2007.
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- (1) The business address of each listed person is 605 Third Avenue, New York, New York 10158.
- (2) Except as otherwise indicated, each individual has held the positions shown for at least the last five years.

### Proxy Voting Policies and Procedures

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available, without charge, by calling 1-800-877-9700 (toll-free) and on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). Information regarding how the Funds voted proxies relating to portfolio securities during the most recent 12-month period ended June 30 is also available, without charge, by calling 1-800-877-9700 (toll-free), on the website of the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov), and on Management's website at [www.nb.com](http://www.nb.com).

### Quarterly Portfolio Schedule

Each Fund files a complete schedule of portfolio holdings with the Securities and Exchange Commission for the first and third quarters of each fiscal year on Form N-Q. The Funds' Forms N-Q are available on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the Securities and Exchange Commission'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. The information on Form N-Q is available upon request, without charge, by calling 1-800-877-9700 (toll-free).

### Notice to Shareholders (Unaudited)

In early 2011 you will receive information to be used in filing your 2010 tax returns, which will include a notice of the exact tax status of all distributions paid to you by each Fund during calendar year 2010. Please consult your own tax advisor for details as to how this information should be reflected on your tax returns.

For the fiscal year ended October 31, 2010, the percentages representing the portion of distributions from net investment income, which are exempt from federal income tax, other than alternative minimum tax are as follows:

#### Neuberger Berman

California Intermediate Municipal Fund Inc.	99.53%
Intermediate Municipal Fund Inc.	98.35%
New York Intermediate Municipal Fund Inc.	99.79%

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 Report of Votes of Shareholders

Annual meetings of shareholders of California, Intermediate and New York were held on June 1, 2010. Shareholders voted on the following matter: To elect five Class II Directors (one of which is to be elected only by holders of the Fund's preferred shares) to serve until the annual meeting of shareholders in 2013, or until their successors are elected and qualified. Class I Directors (which include Faith Colish, Michael M. Knetter, Cornelius T. Ryan, Peter P. Trapp and Robert Conti) and Class III Directors (which include Joseph V. Amato, Martha C. Goss, Robert A. Kavesh, Howard A. Mileaf, Edward A. O'Brien and Candace L. Straight) continue to hold office until the annual meeting in 2012 and 2011, respectively. At each annual meeting, there was not a quorum for the preferred shares and so there are no votes to report for Class II Director, John Cannon.

To elect five Class II Directors (one of which is to be elected only by holders of the Fund's preferred shares) to serve until the annual meeting of shareholders in 2013.

## CALIFORNIA

## Common and Preferred Shares

	Votes For	Votes Withheld	Abstentions	Broker Non-Votes	
C. Anne Harvey	4,924,648	122,703		—	—
George W. Morriss	4,930,218	117,132		—	—
Jack L. Rivkin	4,925,361	121,990		—	—
Tom D. Seip	4,930,218	117,132		—	—

## INTERMEDIATE

## Common and Preferred Shares

	Votes For	Votes Withheld	Abstentions	Broker Non-Votes	
C. Anne Harvey	17,198,789	433,220		—	—
George W. Morriss	17,256,675	375,335		—	—
Jack L. Rivkin	17,167,142	464,868		—	—
Tom D. Seip	17,255,020	376,990		—	—

## NEW YORK

## Common and Preferred Shares

	Votes For	Votes Withheld	Abstentions	Broker Non-Votes	
C. Anne	4,316,471	286,759		—	—

Harvey				
George W.				
Morriss	4,379,089	224,141	—	—
Jack L.				
Rivkin	4,327,883	275,346	—	—
Tom D. Seip	4,375,364	227,866	—	—

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## Board Consideration of the Management and Sub-Advisory Agreements

At a meeting held on October 14, 2010, the Boards of the Funds, including the Directors who are not "interested persons" of each Fund or Management ("Independent Fund Directors"), approved the continuance of the Funds' Management and Sub-Advisory Agreements ("Agreements").

In evaluating the Agreements, the Boards, including the Independent Fund Directors, reviewed materials furnished by Management and Neuberger in response to questions submitted by counsel to the Independent Fund Directors, and met with senior representatives of Management and Neuberger regarding their personnel and operations. The Independent Fund Directors were advised by counsel that is experienced in 1940 Act matters and that is independent of Management and Neuberger. The Independent Fund Directors received a memorandum from their independent counsel discussing the legal standards for their consideration of the proposed continuance of the Agreements. They met with such counsel separately from representatives of Management to discuss the annual contract review. The annual contract review extends over two regular meetings of the Boards to ensure that Management and Neuberger have time to respond to any questions the Independent Fund Directors may have on their initial review of the report and that the Independent Fund Directors have time to consider those responses. In addition, during this process, the Boards held a separate meeting devoted primarily to reviewing and discussing Fund performance.

Each Board considered the following factors, among others, in connection with its approval of the continuance of the Agreements: (1) the nature, extent, and quality of the services provided by Management and Neuberger; (2) the performance of each Fund compared to relevant market indices and a peer group of investment companies; (3) the costs of the services provided and profits or losses realized by Management and its affiliates from their relationship with the Funds; (4) the extent to which economies of scale might be realized as each Fund grows; and (5) whether fee levels reflect any such potential economies of scale for the benefit of investors in each Fund. In their deliberations, the members of each Board did not identify any particular information that was all-important or controlling, and each Director may have attributed different weights to the various factors.

Each Board evaluated the terms of the Agreements, the overall fairness of the Agreements to each Fund and whether the Agreements were in the best interests of each Fund and its shareholders.

With respect to the nature, extent and quality of the services provided, the Board considered the performance of each Fund and the experience and staffing of the portfolio management and investment research personnel of Management and Neuberger who perform services for the Funds. The Boards noted that Management also provides certain administrative services, including fund accounting and compliance oversight. The Boards also considered Management's and Neuberger's policies and practices regarding brokerage. The Boards also reviewed whether Management and Neuberger used brokers to execute Fund transactions that provide research and other services to Management and Neuberger, and the types of benefits potentially derived from such services by Management, Neuberger, the Funds and by other clients of Management and Neuberger. In addition, the Boards noted the positive compliance history of Management and Neuberger, as each firm has been free of significant reported compliance problems.

Each Board considered the performance of its Fund on both a market return and net asset value basis relative to the Fund's benchmark and a peer group of investment companies pursuing broadly similar strategies. Each Board also considered performance in relation to certain measures of the degree of investment risk undertaken by the portfolio managers. Each Board discussed with Management the Fund's performance and the steps that Management had taken, or intended to take, to improve the Fund's performance. Each Board also considered Management's resources and responsiveness with respect to the applicable Fund.

With respect to the overall fairness of the Agreements, each Board considered the fee structure under the Agreements as compared to a peer group of comparable funds and any fall-out benefits likely to accrue to Management or Neuberger or their affiliates from their relationship with the applicable Fund. The Boards also considered the profitability of Management and its affiliates from their association with the Funds.

Each Board reviewed a comparison of its Fund's management fee and overall expense ratio to a peer group of broadly comparable funds. With regard to the sub-advisory fee paid to Neuberger, the Boards noted that this fee is "at cost." In addition, each Board considered the contractual and voluntary waiver of a portion of the management fee undertaken by Management.

The Boards considered whether there were other funds that were advised or sub-advised by Management or its affiliates or separate accounts managed by Management or its affiliates with similar investment objectives, policies and strategies as the Funds. The Boards noted that there were no such comparable funds and/or separate accounts.

Each Board also evaluated any apparent or anticipated economies of scale in relation to the services Management provides to its Fund. The Boards considered that the Funds are closed-end funds that are not continuously offering shares and that, without daily inflows and outflows of capital, there are limited opportunities for significant economies of scale to be realized by Management in managing the Funds' assets.

Each Board also considered changes in management, staffing, resources and operations accompanying the separation of the Neuberger Berman entities from the LBHI bankruptcy estate.

In concluding that the benefits accruing to Management and its affiliates by virtue of their relationship to the Funds were reasonable in comparison with the costs of providing the investment advisory services and the benefits accruing to each Fund, each Board reviewed specific data as to Management's profit or loss on each Fund for a recent period and the trend in profit or loss over recent years. The Boards also carefully examined Management's cost allocation methodology. The Boards recognized that Management should be entitled to earn a reasonable level of profits for services it provides to the Funds and, based on its review, concluded that Management's level of profitability was not excessive.

#### Conclusions

In approving the Agreements, each Board concluded that the terms of each respective Agreement are fair and reasonable and that approval of the Agreements is in the best interests of the respective Fund and its shareholders. In reaching this determination, with respect to each Fund, the respective Board considered that Management and Neuberger could be expected to provide a high level of service to the Fund; that it retained confidence in Management's and Neuberger's capabilities to manage the Fund; that the Fund's fee structure appeared to the Board to be reasonable given the nature and quality of services provided; and that the benefits accruing to Management and its affiliates by virtue of their relationship to the Fund were reasonable in comparison with the benefits accruing to the Fund.

Neuberger Berman Management LLC  
605 Third Avenue, 2nd Floor  
New York, NY 10158-0180  
Internal Sales & Services  
877.461.1899  
www.nb.com

Statistics and projections in this report are derived from sources deemed to be reliable but cannot be regarded as a representation of future results of the Funds. This report is prepared for the general information of shareholders and is not an offer of shares of the Funds.

H0649 12/10

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## Item 2. Code of Ethics

The Board of Directors (“Board”) of Neuberger Berman California Intermediate Municipal Fund Inc. (“Registrant”) adopted a code of ethics that applies to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions (“Code of Ethics”). For the period covered by this Form N-CSR, there were no amendments to the Code of Ethics and there were no waivers from the Code of Ethics granted to the Registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

A copy of the Code of Ethics is incorporated by reference to the Registrant’s Form N-CSR, Investment Company Act file number 811-21167 (filed on July 10, 2006). The Code of Ethics is also available, without charge, by calling 1-800-877-9700 (toll-free).

## Item 3. Audit Committee Financial Expert

The Board has determined that the Registrant has three audit committee financial experts serving on its audit committee. The Registrant’s audit committee financial experts are Martha Goss, George Morriss and Candace L. Straight. Ms. Goss, Mr. Morriss and Ms. Straight are independent directors as defined by Form N-CSR.

## Item 4. Principal Accountant Fees and Services

Ernst & Young LLP (“E&Y”) serves as independent registered public accounting firm to the Registrant.

### (a) Audit Fees

The aggregate fees billed for professional services rendered by E&Y for the audit of the annual financial statements or services that are normally provided by E&Y in connection with statutory and regulatory filings or engagements were \$39,250 and \$39,250 for the fiscal years ended 2009 and 2010, respectively.

### (b) Audit-Related Fees

The aggregate fees billed to the Registrant for assurance and related services by E&Y that are reasonably related to the performance of the audit of the Registrant’s financial statements and are not reported above in Audit Fees were \$6,500 and \$6,500 for the fiscal years ended 2009 and 2010, respectively. The nature of the services provided involved agreed upon procedures relating to the Preferred Shares. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2009 and 2010, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The fees billed to other entities in the investment company complex for assurance and related services by E&Y that are reasonably related to the performance of the audit that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2009 and 2010, respectively.

### (c) Tax Fees

The aggregate fees billed to the Registrant for professional services rendered by E&Y for tax compliance, tax advice, and tax planning were \$10,000 and \$10,000 for the fiscal years ended 2009 and 2010, respectively. The nature of the services provided comprised tax compliance, tax advice, and



tax planning. The Audit Committee approved 0% and 0% of these services provided by E&Y for the fiscal years ended 2009 and 2010, respectively, pursuant to the waiver provisions of Rule 2-01(c)(7)(i)(C) of Regulation S-X.

The fees billed to other entities in the investment company complex for professional services rendered by E&Y for tax compliance, tax advice, and tax planning that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2009 and 2010, respectively.

(d) All Other Fees

The aggregate fees billed to the Registrant for products and services provided by E&Y, other than services reported in Audit Fees, Audit-Related Fees, and Tax Fees were \$0 and \$0 for the fiscal years ended 2009 and 2010, respectively.

The fees billed to other entities in the investment company complex for products and services provided by E&Y, other than services reported in Audit Fees, Audit-Related Fees, and Tax Fees, that the Audit Committee was required to approve because the engagement related directly to the operations and financial reporting of the Registrant were \$0 and \$0 for the fiscal years ended 2009 and 2010, respectively.

(e) Audit Committee's Pre-Approval Policies and Procedures

(1) The Audit Committee's pre-approval policies and procedures for the Registrant to engage an accountant to render audit and non-audit services delegate to each member of the Committee the power to pre-approve services between meetings of the Committee.

(2) None of the services described in paragraphs (b) through (d) above were approved by the Audit Committee pursuant to paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Hours Attributed to Other Persons

Not applicable.

(g) Non-Audit Fees

Non-audit fees billed by E&Y for services rendered to the Registrant were \$16,500 and \$16,500 for the fiscal years ended 2009 and 2010, respectively.

Non-audit fees billed by E&Y for services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant were \$100,000 and \$0 for the fiscal years ended 2009 and 2010, respectively.

(h) The Audit Committee of the Board considered whether the provision of non-audit services rendered to the Registrant's investment adviser and any entity controlling, controlled by, or under common control with the adviser that provides ongoing services to the Registrant that were not pre-approved by the Audit Committee because the engagement did not relate directly to the operations and financial reporting of the Registrant is compatible with maintaining E&Y's independence.

Item 5. Audit Committee of Listed Registrants

The Board has established a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended ("Exchange Act"). Its



members are Martha C. Goss (Vice Chair), George W. Morriss (Chair), Edward I. O'Brien, Cornelius T. Ryan, Tom D. Seip, and Candace L. Straight.

#### Item 6. Schedule of Investments

The complete schedule of investments for the Registrant is disclosed in the Registrant's Annual Report, which is included as Item 1 of this Form N-CSR.

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

The Board has delegated to Neuberger Berman Management LLC ("NB Management") the responsibility to vote proxies related to the securities held in the Registrant's portfolio. Under this authority, NB Management is required by the Board to vote proxies related to portfolio securities in the best interests of the Registrant and its stockholders. The Board permits NB Management to contract with a third party to obtain proxy voting and related services, including research of current issues.

NB Management has implemented written Proxy Voting Policies and Procedures ("Proxy Voting Policy") that are designed to reasonably ensure that NB Management votes proxies prudently and in the best interest of its advisory clients for whom NB Management has voting authority, including the Registrant. The Proxy Voting Policy also describes how NB Management addresses any conflicts that may arise between its interests and those of its clients with respect to proxy voting.

NB Management's Proxy Committee is responsible for developing, authorizing, implementing and updating the Proxy Voting Policy, overseeing the proxy voting process and engaging and overseeing any independent third-party vendors as voting delegate to review, monitor and/or vote proxies. In order to apply the Proxy Voting Policy noted above in a timely and consistent manner, NB Management utilizes Glass, Lewis & Co. ("Glass Lewis") to vote proxies in accordance with NB Management's voting guidelines.

NB Management's guidelines adopt the voting recommendations of Glass Lewis. NB Management retains final authority and fiduciary responsibility for proxy voting. NB Management believes that this process is reasonably designed to address material conflicts of interest that may arise between NB Management and a client as to how proxies are voted.

In the event that an investment professional at NB Management believes that it is in the best interests of a client or clients to vote proxies in a manner inconsistent with NB Management's proxy voting guidelines or in a manner inconsistent with Glass Lewis recommendations, the Proxy Committee will review information submitted by the investment professional to determine that there is no material conflict of interest between NB Management and the client with respect to the voting of the proxy in that manner.

If the Proxy Committee determines that the voting of a proxy as recommended by the investment professional presents a material conflict of interest between NB Management and the client or clients with respect to the voting of the proxy, the Proxy Committee shall: (i) take no further action, in which case Glass Lewis shall vote such proxy in accordance with the proxy voting guidelines or as Glass Lewis recommends; (ii) disclose such conflict to the client or clients and obtain written direction from the client as to how to vote the proxy; (iii) suggest that the client or clients engage another party to determine how to vote the proxy; or (iv) engage another independent third party to determine how to vote the proxy.

## Item 8. Portfolio Managers of Closed-End Management Investment Companies

(a)(1) The following Portfolio Managers have day-to-day management responsibility of the Registrant's portfolio as of the date of the filing of this Form N-CSR.

James L. Iselin is a Senior Vice President of NB Management and Neuberger Berman LLC. Mr. Iselin joined Neuberger Berman LLC in 2006. Previously, Mr. Iselin was a portfolio manager for another investment adviser working in the Municipal Fixed Income group since 1993.

S. Blake Miller is a Senior Vice President of Neuberger Berman Management LLC and Neuberger Berman Fixed Income LLC. Mr. Miller joined Neuberger Berman Fixed Income LLC in 2008. Prior to that time, he was the head of Municipal Fixed Income investing at another firm where he worked since 1986.

(a)(2) The table below describes the other accounts for which the Registrant's Portfolio Managers have day-to-day management responsibility as of October 31, 2010.

Type of Account	Number of Accounts Managed	Total Assets Managed (\$ millions)	Number of Accounts Managed for which Advisory Fee is Performance-Based	Assets Managed for which Advisory Fee is Performance-Based (\$ millions)
<b>James L. Iselin</b>				
Registered Investment Companies*	3	\$278	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts**	199	\$928	0	0
<b>S. Blake Miller</b>				
Registered Investment Companies*	3	\$278	0	0
Other Pooled Investment Vehicles	0	0	0	0
Other Accounts**	172	\$674	0	0

\*Registered Investment Companies include: Mutual Funds.

\*\*Other Accounts include: Institutional Separate Accounts, Sub-Advised Accounts and Managed Accounts (WRAP Accounts).

## Conflicts of Interest

Actual or apparent conflicts of interest may arise when a Portfolio Manager has day-to-day management responsibilities with respect to more than one fund or other account. The management of multiple funds and accounts (including proprietary accounts) may give rise to actual or potential conflicts of interest if the funds and accounts have different or similar objectives, benchmarks, time horizons, and fees, as the Portfolio Manager must allocate his time and investment ideas across multiple funds and accounts. A Portfolio Manager may execute transactions for another fund or account that may adversely impact the value of securities held by the Registrant, and which may include

transactions that are directly contrary to the positions taken by the Registrant. For example, a Portfolio Manager may engage in short sales of securities for another account that are the same type of securities in which the Registrant also invests. In such a case, a Portfolio Manager could be seen as harming the performance of the Registrant for the benefit of the account engaging in short sales if the

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short sales cause the market value of the securities to fall. Additionally, if a Portfolio Manager identifies a limited investment opportunity that may be suitable for more than one fund or other account, the Registrant may not be able to take full advantage of that opportunity. If one account were to buy or sell portfolio securities shortly before another account bought or sold the same securities, it could affect the price paid or received by the second account. Securities selected for funds or accounts other than the Registrant may outperform the securities selected for the Registrant. Finally, a conflict of interest may arise if NB Management and a Portfolio Manager have a financial incentive to favor one account over another, such as a performance-based management fee that applies to one account but not the Registrant or other accounts for which the Registrant's Portfolio Manager is responsible.

NB Management, Neuberger Berman LLC and the Registrant have adopted certain compliance procedures which are designed to address these types of conflicts. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

(a)(3) Compensation (as of October 31, 2010)

Our compensation philosophy is one that focuses on rewarding performance and incentivizing our employees. We are also focused on creating a compensation process that we believe is fair, transparent, and competitive with the market.

Compensation for Portfolio Managers consists of fixed and variable compensation but is more heavily weighted on the variable portion of total compensation and reflects individual performance, overall contribution to the team, collaboration with colleagues across Neuberger Berman and, most importantly, overall investment performance. In particular, the bonus for a Portfolio Manager is determined by using a formula and may or may not contain a discretionary component. If applicable, the discretionary component is determined on the basis of a variety of criteria, including investment performance (including the pre-tax three-year track record in order to emphasize long-term performance), utilization of central resources (including research, sales and operations/support), business building to further the longer term sustainable success of the investment team, effective team/people management, and overall contribution to the success of Neuberger Berman. In addition, compensation of portfolio managers at other comparable firms is considered, with an eye toward remaining competitive with the market.

The terms of our long-term retention incentives are as follows:

**Employee-Owned Equity.** An integral part of the Acquisition (the management buyout of Neuberger Berman in 2009) was implementing an equity ownership structure which embodies the importance of incentivizing and retaining key investment professionals.

The senior Portfolio Managers on the mutual fund teams are key shareholders in the equity ownership structure. On a yearly basis over the next five years, the equity ownership allocations will be re-evaluated and re-allocated based on performance and other key metrics. A set percentage of employee equity and preferred stock is subject to vesting.

**Contingent Compensation Plan.** We have also established the Neuberger Berman Group Contingent Compensation Plan pursuant to which a certain percentage of a Portfolio Manager's compensation is deemed contingent and vests over a three-year period. Under the plan, participating Portfolio Managers and other participating employees who are members of mutual fund investment teams will receive a cash return on their contingent compensation with a portion of such return being determined based on the team's investment performance, as well as the performance of a portfolio of other investment funds managed by Neuberger Berman Group investment professionals.



**Restrictive Covenants.** Portfolio Managers who have received equity interests have agreed to certain restrictive covenants, which impose obligations and restrictions on the use of confidential information and the solicitation of Neuberger Berman employees and clients over a specified period of time if the Portfolio Manager leaves the firm.

**Other Accounts.** Certain Portfolio Managers may manage products other than mutual funds, such as high net worth separate accounts. For the management of these accounts, a Portfolio Manager may generally receive a percentage of pre-tax revenue determined on a monthly basis less certain deductions (e.g., a “finder’s fee” or “referral fee” paid to a third party). The percentage of revenue a Portfolio Manager receives will vary based on certain revenue thresholds.

(a)(4) Ownership of Securities

Set forth below is the dollar range of equity securities beneficially owned by the Registrant’s Portfolio Managers in the Registrant as of October 31, 2010.

Portfolio Manager	Dollar Range of Equity Securities Owned in the Registrant
James L. Iselin	A
S. Blake Miller	A
A = None	E = \$100,001-\$500,000
B = \$1-\$10,000	F = \$500,001-\$1,000,000
C = \$10,001 - \$50,000	G = \$1,000,001 or More
D = \$50,001-\$100,000	

(b) Not applicable.

**Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers**

No reportable purchases for the period covered by this report.

**Item 10. Submission of Matters to a Vote of Security Holders**

There were no changes to the procedures by which stockholders may recommend nominees to the Board.

**Item 11. Controls and Procedures**

(a) Based on an evaluation of the disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “Act”)) as of a date within 90 days of the filing date of this document, the Chief Executive Officer and Treasurer and Principal Financial and Accounting Officer of the Registrant have concluded that such disclosure controls and procedures are effectively designed to ensure that

information required to be disclosed by the Registrant on Form N-CSR and Form N-Q is accumulated and communicated to the Registrant's management to allow timely decisions regarding required disclosure.

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- (b) There were no significant changes in the Registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the Registrant's second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

Item 12. Exhibits

- (a)(1) A copy of the Code of Ethics is incorporated by reference to the Registrant's Form N-CSR, Investment Company Act file number 811-21167 (filed July 10, 2006).
- (a)(2) The certifications required by Rule 30a-2(a) of the Act and Section 302 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act") are filed herewith.
- (a)(3) Not applicable to the Registrant.
- (b) The certifications required by Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are filed herewith.

The certifications provided pursuant to Rule 30a-2(b) of the Act and Section 906 of the Sarbanes-Oxley Act are not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liability of that section. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent that the Registrant specifically incorporates them by reference.

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SIGNATURES

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.

Neuberger Berman California Intermediate Municipal Fund Inc.

By: /s/ Robert Conti  
Robert Conti  
Chief Executive Officer

Date: December 29, 2010

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 Conti  
Robert Conti  
Chief Executive Officer

Date: December 29, 2010

By: /s/ John M. McGovern  
John M. McGovern  
Treasurer and Principal Financial  
and Accounting Officer

Date: December 29, 2010