

NEUBERGER BERMAN MUNICIPAL FUND INC.

Form N-CSR

January 07, 2019

As filed with the Securities and Exchange Commission on January 7, 2019

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: 811-21168

NEUBERGER BERMAN MUNICIPAL FUND INC.

(Exact name of registrant as specified in charter)

c/o Neuberger Berman Investment Advisers LLC

1290 Avenue of the Americas

New York, New York 10104-0002

(Address of principal executive offices – Zip Code)

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

Joseph V. Amato

Chief Executive Officer and President

Neuberger Berman Municipal Fund Inc.

c/o Neuberger Berman Investment Advisers LLC

1290 Avenue of the Americas

New York, New York 10104-0002

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

Date of reporting period: October 31, 2018

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, as amended ("Act") (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 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.

Item 1. Report to Stockholders.

Following is a copy of the annual report transmitted to stockholders pursuant to Rule 30e-1 under the Act.

Neuberger Berman
Municipal Closed-End Funds

Neuberger Berman California
Municipal Fund Inc.

Neuberger Berman Municipal
Fund Inc.

Neuberger Berman New York
Municipal Fund Inc.



Annual Report

October 31, 2018

Beginning on January 1, 2021, as permitted by regulations adopted by the U.S. Securities and Exchange Commission, paper copies of the Fund's annual and semi-annual shareholder reports will no longer be sent by mail, unless you specifically request paper copies of the reports. Instead, the reports will be made available on the Fund's website www.nb.com/CEFliterature, and you will be notified by mail each time a report is posted and provided with a website link to access the report.

If you already elected to receive shareholder reports electronically, you will not be affected by this change and you need not take any action. You may elect to receive shareholder reports and other communications from the Fund electronically anytime by contacting your financial intermediary (such as a broker-dealer or bank) or, if you are a direct investor, by calling 800.877.9700 or by sending an e-mail request to fundinfo@nb.com.

Beginning on January 1, 2019, you may elect to receive all future reports in paper free of charge. If you invest through a financial intermediary, you can contact your financial intermediary to request that you continue to receive paper copies of your shareholder reports. If you invest directly with the Fund, you can call 800.877.9700 or send an email request to fundinfo@nb.com to inform the Fund that you wish to continue receiving paper copies of your shareholder reports. Your election to receive reports in paper will apply to all funds held in your account if you invest through your financial intermediary or all funds held with the fund complex if you invest directly with the Fund.

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President's Letter

Dear Stockholder,

I am pleased to present this annual report for Neuberger Berman California Municipal Fund Inc. (NBW), Neuberger Berman Municipal Fund Inc. (NBH) and Neuberger Berman New York Municipal Fund Inc. (NBO and, together with NBW and NBH, the Funds) for the 12 months ended October 31, 2018. 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 federal income tax and, for the state-specific Funds, NBW seeks to provide income that is also exempt from California's personal income taxes and NBO seeks to provide income that is also exempt from New York State and New York City personal income tax.

We maintain a conservative investment philosophy and disciplined investment process in an effort to provide you with tax-exempt current income over the long term with less volatility and risk.

On April 16, 2018, NBH decreased its monthly distribution rate to \$0.06244 per share of common stock from the prior monthly distribution rate of \$0.0675 per share. NBW decreased its monthly distribution rate to \$0.04480 per share of common stock from the prior monthly distribution rate of \$0.0512 per share. NBO decreased its monthly distribution rate to \$0.03933 per share of common stock from the prior monthly distribution rate of \$0.0437 per share. The Funds' decrease in distribution rates was the result of numerous factors, including the current level of yields available in the municipal market and the corresponding impact on the Funds' levels of earnings, expected increased costs of leverage associated with forecasted interest-rate hikes and the amount of available undistributed net investment income or, with respect to NBW and NBO, the lack thereof.

On June 28, 2018, each Fund's Board of Directors (each a "Board") approved certain changes to the Fund's name and investment policies, which became effective on August 28, 2018. The changes did not alter any Fund's investment objective. Each Board approved an amended policy allowing its Fund flexibility to invest in municipal obligations without maturity and duration limitations as well as to increase the percentage of lower rated securities from 20% to 30% of each Fund's total assets. Neuberger Berman and each Fund's Board believe the changes will allow the portfolio managers to better manage each Fund's portfolio in pursuit of its investment objective. To reflect this investment policy change, the Board of each Fund also approved changing the name of each Fund by removing the word "Intermediate" from the Fund's name. The Funds continue to trade on the NYSE American under their existing ticker symbols.

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

Sincerely,

Joseph V. Amato
President and CEO
Neuberger Berman California Municipal Fund Inc.
Neuberger Berman Municipal Fund Inc.
Neuberger Berman New York Municipal Fund Inc.

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

For the 12 month reporting period ended October 31, 2018, on a net asset value (NAV) basis, Neuberger Berman California Municipal Fund Inc., Neuberger Berman Municipal Fund Inc. and Neuberger Berman New York Municipal Fund Inc. (each a Fund and together, the Funds) generated a -1.59%, -0.85% and -1.69% total return, respectively, whereas the Bloomberg Barclays 10-Year Municipal Bond Index (the Index) generated a -0.93% total return for the same period. (Fund performance on a market basis is provided in the table immediately following this commentary.) The use of leverage (typically a performance enhancer in up markets and a detractor during market retreats) detracted from each Fund's performance given the negative price return for the municipal market during the reporting period.

The investment grade municipal bond market posted a negative absolute return, but outperformed the taxable bond market on a relative basis during the reporting period. Both short- and long-term U.S. yields moved higher over the period. As telegraphed, the U.S. Federal Reserve (Fed) raised interest rates on four occasions over the reporting period. The Fed also continued to shrink its balance sheet and reported that it plans to further tighten monetary policy in 2019 (although more recent statements by Fed officials have suggested a less aggressive approach). Municipal securities were supported by overall positive fundamentals as well as solid investor demand, at times, and moderating new supply. All told, the Bloomberg Barclays Municipal Bond Index returned -0.51% for the 12 months ended October 31, 2018, whereas the overall taxable bond market, as measured by the Bloomberg Barclays U.S. Aggregate Bond Index, returned -2.05%.

The Funds' yield curve positioning contributed to performance as the curve flattened over the reporting period. The Funds maintained a generally lower rated portfolio relative to that of the Index as the Funds sought to generate additional yield. This was positive for results given the relative outperformance of lower quality bonds. From a sector perspective, an overweight to revenue bonds added to results as they largely outperformed general obligation bonds. On the downside, several of the Funds' project finance-oriented holdings experienced idiosyncratic risks that caused them to generate weak results.

There were a number of adjustments made to the Funds' portfolios during the reporting period in conjunction with the Funds' investment policy changes that became effective on August 28, 2018. In particular, we modestly extended the Funds' duration. We also selectively added to the Funds' allocation to lower rated securities to take advantage of what we felt were attractive opportunities in that portion of the municipal bond market.

As the current economic expansion in the U.S. extends into its tenth year, interest in pinpointing its end date continues to grow. We believe that tax reform enacted earlier this year has increased the probability that the economic expansion in the U.S. cycle will soldier on for at least a few more quarters. With regard to the municipal bond market, technicals continue to look promising for the fourth quarter of 2018, in our opinion. Municipal securities remain an attractive relative value proposition, in our view, when compared to equivalently rated taxable fixed income alternatives on an after-tax basis. Significantly reduced primary market activity should help maintain a firm bid for municipal securities and we see no reason at this time for retail demand to wane. We continue to closely monitor the primary and secondary markets in search of attractive buying opportunities for our investors.

Sincerely,

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

The portfolio composition, industries and holdings of each Fund are subject to change without notice.

The opinions expressed are those of the Funds' portfolio managers. The opinions are as of the date of this report and are subject to change without notice.

The value of securities owned by a Fund, as well as the market value of shares of the Fund's common stock, may decline in response to certain events, including those directly involving the issuers whose securities are owned by the Fund; conditions affecting the general economy; overall market changes; local, regional, national or global political, social or economic instability; regulatory or legislative developments; price and interest rate fluctuations, including those resulting from changes in central bank policies; and changes in investor sentiment.

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TICKER SYMBOLS

California Municipal Fund Inc. NBW
 Municipal Fund Inc. NBH
 New York Municipal Fund Inc. NBO

**CALIFORNIA
 MUNICIPAL
 FUND INC. PORTFOLIO
 BY STATE AND
 TERRITORY**

**(as a % of Total
 Investments*)**

American Samoa	0.4%
California	87.9
Florida	0.4
Georgia	0.4
Guam	1.6
Illinois	1.3
Louisiana	0.4
Nevada	0.7
New Jersey	0.6
New York	0.5
North Carolina	0.5
Ohio	1.8
Pennsylvania	1.6
Puerto Rico	0.8
Tennessee	0.4
Texas	0.2
Virgin Islands	0.5
Total	100.0%

*Does not include the impact of the Fund's open positions in derivatives, if any.

**NEW YORK MUNICIPAL
 FUND INC. PORTFOLIO
 BY STATE AND
 TERRITORY**

**(as a % of Total
 Investments*)**

American Samoa	0.4%
California	3.9
Georgia	0.4
Guam	1.9
Illinois	0.9
Louisiana	0.5
Nevada	0.9
New York	86.3
Ohio	0.4

Pennsylvania	1.9
Texas	0.3
Virgin Islands	0.6
Other	1.6
Total	100.0%

*Does not include the impact of the Fund's open positions in derivatives, if any.

PERFORMANCE HIGHLIGHTS¹

At NAV ²	Inception Date	Average Annual Total Return Ended 10/31/2018			
		1 Year	5 Years	10 Years	Life of Fund
California Municipal Fund Inc.	09/24/2002	-1.59%	4.87%	6.40%	5.34%
Municipal Fund Inc.	09/24/2002	-0.85%	5.74%	6.94%	5.76%
New York Municipal Fund Inc.	09/24/2002	-1.69%	4.19%	5.69%	4.83%
At Market Price³					
California Municipal Fund Inc.	09/24/2002	-9.23%	1.63%	6.61%	3.93%
Municipal Fund Inc.	09/24/2002	-10.54%	3.45%	7.23%	4.54%
New York Municipal Fund Inc.	09/24/2002	-6.68%	1.68%	5.78%	3.39%

Index

Bloomberg Barclays 10-Year Municipal Bond Index ⁴	-0.93%	3.14%	4.94%	4.24%
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Closed-end funds, unlike open-end funds, are not continually offered. Generally, there is an initial public offering and, once issued, shares of common stock of closed-end funds are sold in the secondary market on a stock exchange.

The performance data quoted represent past performance and do not indicate future results. Current performance may be lower or higher than the performance data quoted. For more current performance data, please visit www.nb.com/cef-performance.

The results shown in the table reflect the reinvestment of income dividends and other distributions, if any. The results do not reflect the effect of taxes a stockholder would pay on Fund distributions or on the sale of shares of a Fund's common stock.

The investment return and market price will fluctuate and shares of a Fund's common stock may trade at prices above or below NAV. Shares of a Fund's common stock, when sold, may be worth more or less than their original cost.

Returns would have been lower if Neuberger Berman Investment Advisers LLC ("Management") had not waived a portion of its investment management fees during certain of the periods shown. The waived fees are from prior years that are no longer disclosed in the Financial Highlights.

MUNICIPAL FUND INC. PORTFOLIO BY STATE AND TERRITORY

(as a % of Total Investments*)

Alabama	0.4%	Missouri	0.5
Alaska	0.0	Nevada	1.3
American Samoa	0.4	New Hampshire	0.3
Arizona	1.8	New Jersey	4.2
California	21.2	New Mexico	0.3
Colorado	3.1	New York	7.8
Connecticut	0.2	North Carolina	2.3
District of Columbia	1.7	Ohio	2.4
Florida	4.9	Oklahoma	0.7

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Georgia	0.6	Oregon	0.1
Guam	1.1	Pennsylvania	3.8
Hawaii	1.6	South Carolina	0.5
Illinois	14.2	Tennessee	1.2
Indiana	1.8	Texas	4.1
Iowa	0.4	Utah	1.9
Kentucky	0.6	Vermont	1.8
Louisiana	1.3	Virginia	0.2
Massachusetts	2.4	Washington	2.4
Michigan	1.2	Wisconsin	3.8
Minnesota	0.6	Total	100.0%
Mississippi	0.9		

*Does not include the impact of the Fund's open positions in derivatives, if any.

Endnotes

- 1** A portion of each Fund's income may be a tax preference item for purposes of the federal alternative minimum tax for certain stockholders.
- 2** Returns based on the NAV of each Fund.
- 3** Returns based on the market price of shares of each Fund's common stock on the NYSE American.
- 4** Please see "Description of Index" on page 5 for a description of the index.

For more complete information on any of the Neuberger Berman Municipal Closed-End Funds, call Neuberger Berman Investment Advisers LLC at (800) 877-9700, or visit our website at www.nb.com.

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Description of Index

Bloomberg Barclays 10-Year Municipal Bond Index: The index is the 10-year (8-12 years to maturity) component of the Bloomberg Barclays Municipal Bond Index. The Bloomberg Barclays Municipal Bond Index measures the investment grade, U.S. dollar-denominated, long-term, tax-exempt bond market and has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and prerefunded bonds.

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 are prepared or obtained by Management and include reinvestment of all income dividends and other distributions, if any. Each Fund may invest in securities not included in the above described index and generally does not invest in all securities included in the index.

Schedule of Investments California Municipal Fund Inc.^(a)
 October 31, 2018

PRINCIPAL AMOUNT

(000's omitted)

Municipal Notes 173.7%

American Samoa 0.7%

\$ 600 American Samoa Econ. Dev. Au. Gen. Rev. Ref., Ser. 2015-A, 6.25%, due 9/1/29

California 152.8%

1,000 Bay Area Toll Au. Toll Bridge Rev., Ser. 2013-S-4, 5.00%, due 4/1/27 Pre-Refunded 4/1/23
 1,500 Bay Area Toll Au. Toll Bridge Rev. (San Francisco Bay Area), Ser. 2012, 5.00%, due 4/1/21
 California Ed. Facs. Au. Ref. Rev. (Univ. of Redlands)
 250 Ser. 2016-A, 5.00%, due 10/1/28
 260 Ser. 2016-A, 3.00%, due 10/1/29
 400 Ser. 2016-A, 3.00%, due 10/1/30
 1,000 California Ed. Facs. Au. Rev. (Green Bond- Loyola Marymount Univ.), Ser. 2018-B, 5.00%, due 10/1/48
 1,000 California Hlth. Facs. Fin. Au. Rev. (Children's Hosp. Los Angeles), Ser. 2012-A, 5.00%, due 11/15/26
 1,000 California Infrastructure & Econ. Dev. Bank St. Sch. Fund Lease Rev. (King City Joint Union High Sch. Dist. Fin.), Ser. 2010, 5.13%, due 8/15/24
 1,000 California Muni. Fin. Au. Charter Sch. Lease Rev. (Sycamore Academy Proj.), Ser. 2014, 5.63%, due 7/1/44
 500 California Muni. Fin. Au. Charter Sch. Lease Rev. (Vista Charter Middle Sch. Proj.), Ser. 2014, 5.13%, due 7/1/29
 255 California Muni. Fin. Au. Charter Sch. Rev. (John Adams Academics Proj.), Ser. 2015-A, 4.50%, due 10/1/25
 1,000 California Muni. Fin. Au. Charter Sch. Rev. (Palmdale Aerospace Academy Proj.), Ser. 2016, 5.00%, due 7/1/31
 500 California Muni. Fin. Au. Rev. (Baptist Univ.), Ser. 2015-A, 5.00%, due 11/1/30
 California Muni. Fin. Au. Rev. (Biola Univ.)
 375 Ser. 2013, 4.00%, due 10/1/25
 410 Ser. 2013, 4.00%, due 10/1/26
 455 Ser. 2013, 4.00%, due 10/1/27
 600 California Muni. Fin. Au. Rev. (Southwestern Law Sch.), Ser. 2011, 6.00%, due 11/1/26
 California Muni. Fin. Au. Rev. (Touro College & Univ. Sys. Obligated Group)
 605 Ser. 2014-A, 4.00%, due 1/1/27
 630 Ser. 2014-A, 4.00%, due 1/1/28
 330 Ser. 2014-A, 4.00%, due 1/1/29
 400 California Sch. Fac. Fin. Au. Rev. (Alliance College - Ready Pub. Sch. Proj.), Ser. 2015-A, 5.00%, due 7/1/30
 1,500 California Sch. Fac. Fin. Au. Rev. (Green Dot Pub. Sch. Proj.), Ser. 2018-A, 5.00%, due 8/1/48
 California Sch. Fac. Fin. Au. Rev. (KIPP LA Proj.)
 400 Ser. 2017-A, 4.00%, due 7/1/23
 400 Ser. 2014-A, 4.13%, due 7/1/24
 375 Ser. 2017-A, 5.00%, due 7/1/25

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130	Ser. 2017-A, 5.00%, due 7/1/27
2,195	California St. Dept. of Veterans Affairs Home Purchase Ref. Rev., Ser. 2016-A, 3.00%, due 6/1/29
	California St. Dept. of Wtr. Res. Ctr. Valley Proj. Rev. (Wtr. Sys.)
15	Ser. 2012-AN, 5.00%, due 12/1/21
540	Ser. 2012-AN, 5.00%, due 12/1/21
	California St. Dept. of Wtr. Res. Pwr. Supply Rev.
1,240	Ser. 2010-L, 5.00%, due 5/1/22 Pre-Refunded 5/1/20
760	Ser. 2010-L, 5.00%, due 5/1/22
1,500	California St. G.O., Ser. 2012, 5.00%, due 2/1/27
1,000	California St. Infrastructure & Econ. Dev. Bank Rev. (Goodwill Industries of Sacramento Valley & No. Proj.), Ser. 2016-A, 5.00%, due 1/1/36
2,000	California St. Poll. Ctrl. Fin. Au. Rev. (San Jose Wtr. Co. Proj.), Ser. 2016, 4.75%, due 11/1/46
730	California St. Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Aemerge Redak Svcs. So. California LLC Proj.), Ser. 2016, 7.00%, due 12/1/27
2,000	California St. Poll. Ctrl. Fin. Au. Wtr. Furnishing Rev., Ser. 2012, 5.00%, due 7/1/27
1,095	California St. Pub. Works Board Lease Rev. (California Comm. Colleges), Ser. 2004-B, 5.50%, due 6/1/20

See Notes to Financial Statements 6

Schedule of Investments California Municipal Fund Inc.^(a)
(Cont'd)**PRINCIPAL AMOUNT**

(000's omitted)

\$ 415	California St. Sch. Fin. Au. Charter Sch. Rev. (Downtown College Prep-Oblig. Group), Ser. 2016, 4.50%, due 6/1/31	\$
400	California St. Sch. Fin. Au. Charter Sch. Rev. (Rocketship Edu.), Ser. 2016-A, 5.00%, due 6/1/31	
520	California St. Sch. Fin. Au. Ed. Facs. Rev. (Partnerships Uplifts Comm. Valley Proj.), Ser. 2014-A, 5.35%, due 8/1/24	
1,000	California St. Var. Purp. G.O., Ser. 2012, 4.00%, due 9/1/21	1
720	California Statewide CDA Rev. (Henry Mayo Newhall Mem. Hosp.), Ser. 2014-A, (AGM Insured), 5.00%, due 10/1/26	
500	California Statewide CDA Rev. (Loma Linda Univ. Med. Ctr.), Ser. 2018-A, 5.50%, due 12/1/58	
700	California Statewide CDA Rev. (Redwoods Proj.), Ser. 2013, 5.00%, due 11/15/28	
285	California Statewide CDA Rev. (Sr. Living So. California Presbyterian Homes), Ser. 2009, 6.25%, due 11/15/19	
600	California Statewide CDA Rev. Ref. (Lancer Ed. Std. Hsg. Proj.), Ser. 2016-A, 5.00%, due 6/1/36	
1,500	California Statewide CDA Rev. Ref. (Loma Linda Univ. Med. Ctr.), Ser. 2014-A, 5.25%, due 12/1/29	1
1,500	California Statewide CDA Rev. Ref. (Redlands Comm. Hosp.), Ser. 2016, 4.00%, due 10/1/41	1
1,200	California Statewide CDA Spec. Tax Rev. Ref. (Comm. Facs. Dist. #2007-01 Orinda Wilder Proj.), Ser. 2015, 4.50%, due 9/1/25	1
2,055	California Statewide CDA Std. Hsg. Rev. (Univ. of Irvin Campus Apts. Phase IV), Ser. 2017-A, 5.00%, due 5/15/32	2
500	California Statewide CDA Std. Hsg. Rev. Ref. (Baptist University), Ser. 2017-A, 5.00%, due 11/1/32	
2,000	Contra Costa Co. Redev. Agcy. Successor Agcy. Tax Allocation Ref., Ser. 2017-A, (BAM Insured), 5.00%, due 8/1/31	2
	Corona Norco Unified Sch. Dist. Pub. Fin. Au. Sr. Lien Rev.	
350	Ser. 2013-A, 5.00%, due 9/1/26	
560	Ser. 2013-A, 5.00%, due 9/1/27	
1,365	Daly City Hsg. Dev. Fin. Agcy. Rev. Ref. (Franciscan Mobile Home Park), Ser. 2007-A, 5.00%, due 12/15/21	1
2,000	Davis Joint Unified Sch. Dist. Cert. of Participation (Yolo Co.), Ser. 2014, (BAM Insured), 4.00%, due 8/1/24	2
4,000	Deutsche Bank Spears/Lifers Trust Rev. (Floaters) (Deutsche Bank AG), Ser. 2017-7007, 2.10%, due 3/1/42	4
3,800	Deutsche Bank Spears/Lifers Trust Rev. (Starwood Comm. Dev. Au.), Ser. 2017-DBE-7006, (LOC: Deutsche Bank AG), 2.10%, due 4/1/52	3
1,250	Emeryville Redev. Agcy. Successor Agcy. Tax Allocation Ref. Rev., Ser. 2014-A, (AGM Insured), 5.00%, due 9/1/25	1
	Golden St. Tobacco Securitization Corp. Tobacco Settlement Rev. Ref.	
2,000	Ser. 2018-A-1, 5.00%, due 6/1/47	1
4,000	Ser. 2018-A-2, 5.00%, due 6/1/47	3
1,000	Imperial Comm. College Dist. G.O. Cap. Appreciation (Election 2010), Ser. 2011-A, (AGM Insured), 6.75%, due 8/1/40 Pre-Refunded 8/1/25	1
1,000	Inglewood Unified Sch. Dist. Facs. Fin. Au. Rev., Ser. 2007, (AGM Insured), 5.25%, due 10/15/26	1

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	Irvine Spec. Tax (Comm. Facs. Dist. Number 2005-2)	
150	Ser. 2013, 4.00%, due 9/1/23	
300	Ser. 2013, 4.00%, due 9/1/24	
450	Ser. 2013, 4.00%, due 9/1/25	
645	Ser. 2013, 3.50%, due 9/1/26	
690	Ser. 2013, 3.63%, due 9/1/27	
350	Irvine Unified Sch. Dist. Spec. Tax (Comm. Facs. Dist. # 09-1), (LOC: U.S. Bank N.A.), Ser. 2014, 1.23%, due 9/1/54	
680	Jurupa Pub. Fin. Auth. Spec. Tax Rev., Ser. 2014-A, 5.00%, due 9/1/24	
	La Verne Cert. of Participation (Brethren Hillcrest Homes)	
315	Ser. 2014, 5.00%, due 5/15/26	
500	Ser. 2014, 5.00%, due 5/15/29	
1,105	Lodi Pub. Fin. Au. Lease Rev., Ser. 2012, 5.25%, due 10/1/26	1
2,000	Los Angeles Muni. Imp. Corp. Lease Ref. Rev. (Real Property), Ser. 2012-C, 5.00%, due 3/1/27	2
500	Los Angeles Reg. Arpt. Imp. Corp. Lease Rev. (Laxfuel Corp.), Ser. 2012, 4.50%, due 1/1/27	
210	Mill Valley Sch. Dist. G.O. Cap. Appreciation, Ser. 1994-A, 0.00%, due 8/1/19	
1,000	Mountain House Pub. Fin. Au. Utils. Sys. Rev., Ser. 2007, 5.00%, due 12/1/22	1
1,385	Ohlone Comm. College Dist. G.O. (Election 2010), Ser. 2014-B, 0.00%, due 8/1/29	
1,490	Oxnard Harbor Dist. Rev., Ser. 2011-B, 4.50%, due 8/1/24	1

See Notes to Financial Statements 7

Schedule of Investments California Municipal Fund Inc.^(a)
(cont'd)**PRINCIPAL AMOUNT**

(000's omitted)

		Val
		(000's omitted)
\$1,250	Palomar Hlth. Ref. Rev., Ser. 2016, 4.00%, due 11/1/39	\$ 1,250
1,500	Pico Rivera Pub. Fin. Au. Lease Rev., Ser. 2009, 4.75%, due 9/1/25 Pre-Refunded 9/1/19	1,500
1,000	Rancho Cucamonga Redev. Agcy. Successor Agcy. Tax Allocation Rev. (Rancho Redev. Proj.), Ser. 2014, (AGM Insured), 5.00%, due 9/1/27	1,000
	Riverside Co. Comm. Facs. Dist. Spec. Tax Rev. (Scott Road)	
285	Ser. 2013, 4.00%, due 9/1/21	285
600	Ser. 2013, 5.00%, due 9/1/25	600
	Riverside Co. Trans. Commission Toll Rev. Sr. Lien (Cap. Appreciation)	
1,320	Ser. 2013-B, 0.00%, due 6/1/22	1,320
1,500	Ser. 2013-B, 0.00%, due 6/1/23	1,500
	Romoland Sch. Dist. Spec. Tax Ref. (Comm. Facs. Dist. Number 2006-1)	
100	Ser. 2017, 4.00%, due 9/1/29	100
200	Ser. 2017, 4.00%, due 9/1/30	200
525	Ser. 2017, 3.25%, due 9/1/31	525
1,700	Sacramento Area Flood Ctrl. Agcy. Ref. (Consol Capital Assessment Dist. Number 2), Ser. 2016-A, 5.00%, due 10/1/47	1,700
	Sacramento City Fin. Au. Ref. Rev. (Master Lease Prog. Facs.)	
1,000	Ser. 2006-E, (AMBAC Insured), 5.25%, due 12/1/24	1,000
400	Ser. 2006-E, (AMBAC Insured), 5.25%, due 12/1/26	400
1,950	Sacramento Co. Arpt. Sys. Rev. Ref., Ser. 2018-C, 5.00%, due 7/1/33	1,950
500	Sacramento Spec. Tax (Natomas Meadows Comm. Facs. Dist. Number 2007-01), Ser. 2017, 5.00%, due 9/1/47	500
	San Francisco City & Co. Arpts. Commission Int'l Ref. Rev.	
750	Ser. 2009-D2, 3.00%, due 5/1/21	750
1,000	Ser. 2009-C2, 5.00%, due 5/1/21	1,000
2,000	San Francisco City & Co. Unified Sch. Dist. Ref. Rev., Ser. 2012, 4.00%, due 6/15/25	2,000
485	San Jose Multi-Family Hsg. Rev. (Fallen Leaves Apts. Proj.), Ser. 2002-J1, (AMBAC Insured), 4.95%, due 12/1/22	485
	San Juan Unified Sch. Dist. G.O.	
1,000	Ser. 2012-C, 4.00%, due 8/1/22	1,000
1,070	Ser. 2012-C, 4.00%, due 8/1/25	1,070
685	San Mateo Foster City Sch. Dist. G.O. (Election 2015), Ser. 2016-A, 4.00%, due 8/1/29	685
	San Mateo Union High Sch. Dist. G.O. (Election 2010)	
895	Ser. 2011-A, 0.00%, due 9/1/25 Pre-Refunded 9/1/21	895
105	Ser. 2011-A, 0.00%, due 9/1/25	105
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	1,390
	Santa Maria Bonita Sch. Dist. Cert. of Participation (New Sch. Construction Proj.)	
310	Ser. 2013, (BAM Insured), 3.25%, due 6/1/25	310
575	Ser. 2013, (BAM Insured), 3.50%, due 6/1/26	575
325	Ser. 2013, (BAM Insured), 3.50%, due 6/1/27	325

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270	Ser. 2013, (BAM Insured), 3.50%, due 6/1/28	
1,000	Santa Monica-Malibu Unified Sch. Dist. Ref. G.O., Ser. 2013, 3.00%, due 8/1/27	1,000
1,000	Successor Agcy. to the Monrovia Redev. Agcy. Tax Allocation Rev. (Cent. Redev. Proj.), Ser. 2013, 5.00%, due 8/1/26	1,000
290	Sulphur Springs Union Sch. Dist. Cert. of Participation Conv. Cap. Appreciation Bonds, Ser. 2010, (AGM Insured), 6.50%, due 12/1/37	
1,145	Sulphur Springs Union Sch. Dist. Cert. of Participation Conv. Cap. Appreciation Bonds (Unrefunded), Ser. 2010, (AGM Insured), 6.50%, due 12/1/37	1,145
2,000	Sweetwater Union High Sch. Dist. Pub. Fin. Au. Rev., Ser. 2013, (BAM Insured), 5.00%, due 9/1/25 Vernon Elec. Sys. Rev.	2,000
340	Ser. 2009-A, 5.13%, due 8/1/21 Pre-Refunded 8/1/19	
735	Ser. 2009-A, 5.13%, due 8/1/21	
3,000	Victor Valley Comm. College Dist. G.O. Cap. Appreciation (Election 2008), Ser. 2009-C, 0.00%, due 8/1/37	3,000
1,500	Vista Unified Sch. Dist. G.O., Ser. 2012, 5.00%, due 8/1/21	1,500
3,500	William S. Hart Union High Sch. Dist. G.O. Cap. Appreciation (Election 2001), Ser. 2005-B, (AGM Insured), 0.00%, due 9/1/26	3,500
2,250	Wiseburn Sch. Dist. G.O. Cap. Appreciation (Election 2010), Ser. 2011-B, (AGM Insured), 0.00%, due 8/1/36	2,250
		121,500

See Notes to Financial Statements 8

Schedule of Investments California Municipal Fund Inc.^(a)
(cont'd)

PRINCIPAL AMOUNT

(000's omitted)

Florida 0.7%

\$ 525 Lakeland Ed. Facs. Rev. (Florida So. College Proj.), Ser. 2012-A, 5.00%, due 9/1/24

\$ 57

Georgia 0.7%

600 Greene Co. Dev. Au. Swr. Fac. Rev., Ser. 2015, 6.13%, due 1/1/25

56

Guam 2.7%

1,110 Guam Gov't Hotel Occupancy Tax Rev., Ser. 2011-A, 5.25%, due 11/1/18

1,11

1,000 Guam Gov't Waterworks Au. Wtr. & Wastewater Sys. Rev., Ser. 2010, 5.25%,
due 7/1/25 Pre-Refunded 7/1/20

1,05

2,16

Illinois 2.3%

1,000 Chicago Ref. G.O., Ser. 2003-B, 5.00%, due 1/1/23

1,05

750 Illinois St. G.O., Ser. 2013, 5.00%, due 7/1/23

78

1,83

Louisiana 0.7%

500 Louisiana Pub. Facs. Au. Rev. (Southwest Louisiana Charter Academy Foundation Proj.), Ser. 2013-A,
7.63%, due 12/15/28

52

Nevada 1.3%

1,000 Las Vegas Redev. Agcy. Tax Increment Rev., Ser. 2009-A, 7.50%, due 6/15/23 Pre-Refunded 6/15/19

1,03

New Jersey 1.0%

750 New Jersey St. Econ. Dev. Au. Rev. (Continental Airlines, Inc., Proj.), Ser. 1999, 5.13%, due 9/15/23

80

New York 0.8%

650 Build NYC Res. Corp. Rev., Ser. 2014, 5.25%, due 11/1/34

65

North Carolina 0.9%

655 North Carolina Med. Care Commission Hlth. Care Fac. First Mtge. Rev. (Lutheran Svcs. for Aging,
Inc.), Ser. 2012-A, 4.25%, due 3/1/24

68

Ohio 3.2%

2,595 Buckeye Tobacco Settlement Fin. Au. Asset-Backed Rev. (Turbo), Ser. 2007-A-2, 5.88%, due 6/1/47

2,52

Pennsylvania 2.7%

Pennsylvania St. Turnpike Commission Rev.

285 Subser. 2010-B2, 6.00%, due 12/1/34 Pre-Refunded 12/1/20

307

305 Subser. 2010-B2, 6.00%, due 12/1/34 Pre-Refunded 12/1/20

329

1,410

Subser. 2010-B2, 6.00%, due 12/1/34 Pre-Refunded 12/1/20

1,51
2,15

Puerto Rico 1.3%

1,000 Puerto Rico Muni. Fin. Agcy. Rev., Ser. 2002-A, (AGM Insured), 5.25%, due 8/1/21

1,04

Tennessee 0.7%

500 Tennessee St. Energy Acquisition Corp. Gas Rev. (Goldman Sachs Group, Inc.), Ser. 2006-A, 5.25%,
due 9/1/23

55

See Notes to Financial Statements 9

Schedule of Investments California Municipal Fund Inc.^(a)
(cont'd)

PRINCIPAL AMOUNT**Value**

(000's omitted)

(000's omitted)

Texas 0.3%

\$300	Mission Econ. Dev. Corp. Wtr. Supply Rev. (Green Bond-Env. Wtr. Minerals Proj.), Ser. 2015, 7.75%, due 1/1/45	\$	251 ^{(c)(d)(i)}
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Virgin Islands 0.9%

Virgin Islands Pub. Fin. Au. Rev.			
250	Ser. 2014-A, 5.00%, due 10/1/24		246
500	Ser. 2014-A, 5.00%, due 10/1/29		486
			732

Total Investments 173.7% (Cost \$133,422)	138,189
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Other Assets Less Liabilities 0.4%	345
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Liquidation Value of Variable Rate Municipal Term Preferred Shares (net of unamortized deferred offering costs of approximately \$19,000) (74.1)%	(58,981)
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Net Assets Applicable to Common Stockholders 100.0%	\$ 79,553
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- (a) On June 28, 2018, the Fund's Board of Directors approved a proposal to change the name of the Fund from "Neuberger Berman California Intermediate Municipal Fund Inc." to "Neuberger Berman California Municipal Fund Inc." This name change became effective on August 28, 2018.
- (b) When-issued security. Total value of all such securities at October 31, 2018 amounted to approximately \$1,104,000, which represents 1.4% of net assets applicable to common stockholders of the Fund.
- (c) Securities were purchased under Rule 144A of the Securities Act of 1933, as amended, or are otherwise restricted and, unless registered under the Securities Act of 1933 or exempted from registration, may only be sold to qualified institutional investors or may have other restrictions on resale. At October 31, 2018, these securities amounted to approximately \$21,854,000, which represents 27.5% of net assets applicable to common stockholders of the Fund. Securities denoted with (c) but without (d) have been deemed by the investment manager to be liquid.
- (d) Illiquid security.
- (e) All or a portion of this security is segregated in connection with obligations for when-issued securities with a total value of approximately \$2,404,000.
- (f) Variable rate demand obligation where the stated interest rate is not based on a published reference rate and spread. Rather, the interest rate generally resets daily or weekly and is determined by the remarketing agent. The rate shown represents the rate in effect at October 31, 2018.

- (g) Currently a zero coupon security; will convert to 6.88% on August 1, 2019.
- (h) Currently a zero coupon security; will convert to 7.30% on August 1, 2026.
- (i) Defaulted Security.

See Notes to Financial Statements 10

Schedule of Investments California Municipal Fund Inc.^(a)
 (cont'd)

The following is a summary, categorized by Level (see Note A of Notes to Financial Statements), of inputs used to value the Fund's investments as of October 31, 2018:

Asset Valuation Inputs (000's omitted)	Level 1	Level 2	Level 3	Total
Investments:				
Municipal Notes ^(a)	\$—	\$138,189	\$—	\$138,189
Total Investments	\$—	\$138,189	\$—	\$138,189

(a) The Schedule of Investments provides a categorization by state/territory for the portfolio.

See Notes to Financial Statements 11

Schedule of Investments Municipal Fund Inc.^(a)

October 31, 2018

PRINCIPAL AMOUNT	VALUE
(000's omitted)	(000's omitted)
Municipal Notes 164.0%	
Alabama 0.8%	
\$1,900 Selma IDB Rev. (Int'l Paper Co. Proj.), Ser. 2011-A, 5.38%, due 12/1/35	\$ 2,054
Alaska 0.0% ^(b)	
100 Valdez Marine Term. Rev. Ref. (Exxon Pipeline Co. Proj.), Ser. 1993-A, 1.64%, due 12/1/33	100 ^(c)
American Samoa 0.6%	
1,700 American Samoa Econ. Dev. Au. Gen. Rev. Ref., Ser. 2015-A, 6.25%, due 9/1/29	1,629
Arizona 2.9%	