

INTERMEDIATE MUNI FUND INC  
Form N-Q  
May 30, 2006

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number **811-6506**

**Intermediate Muni Fund, Inc.**

(Exact name of registrant as specified in charter)

125 Broad Street, New York, NY 10004  
(Address of principal executive offices) (Zip code)

Robert I. Frenkel, Esq.  
Legg Mason & Co., LLC  
300 First Stamford Place  
Stamford, CT 06902  
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: **December 31**  
Date of reporting period: **March 31, 2006**

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ITEM 1. SCHEDULE OF INVESTMENTS

**INTERMEDIATE MUNI FUND, INC.**

FORM N-Q  
MARCH 31, 2006

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**INTERMEDIATE MUNI FUND, INC.**

**Schedule of Investments (unaudited)**

March 31, 2006

| Face<br>Amount         | Rating | Security   | Value        |
|------------------------|--------|--|--------------|
| <b>MUNICIPAL BONDS</b> |        |  |              |
| <b>95.3%</b>           |        |  |              |
| <b>Alabama</b>         |        |  |              |
| <b>3.2%</b>            |        |  |              |
| \$ 3,000,000           | AAA    | Alabama State Public School & College Authority, FSA-Insured, 5.125% due 11/1/15 (a) | \$ 3,137,280 |

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|                          |        |   |                  |
|--------------------------|--------|---|------------------|
| 1,225,000                | AAA    | Baldwin County, AL, Board of Education, Capital Outlay School Warrants, AMBAC-Insured, 5.000% due 6/1/20                                    | 1,284,253        |
| 259,127                  | AAA    | Birmingham, AL, Medical Clinic Board Revenue, Baptist Medical Center, 8.300% due 7/1/08 (b)   | 273,130          |
| 1,000,000                | AAA    | Saraland, AL, GO, MBIA-Insured, 5.250% due 1/1/15   | 1,063,930        |
|                          |        | <b>Total Alabama</b>  | <b>5,758,593</b> |
| <b>Alaska □ 1.6%</b>     |        |   |                  |
| 1,000,000                | NR     | Alaska Industrial Development & Export Authority Revenue, Williams Lynxs Alaska Cargo Port LLC, 8.000% due 5/1/23 (c)                       | 995,310          |
| 500,000                  | AAA    | Anchorage, AK, GO, Refunding, FGIC-Insured, 6.000% due 10/1/14  | 569,065          |
| 1,250,000                | AAA    | North Slope Boro, AK, Refunding, Series A, MBIA-Insured, 5.000% due 6/30/15   | 1,335,700        |
|                          |        | <b>Total Alaska</b>   | <b>2,900,075</b> |
| <b>Arizona □ 0.4%</b>    |        |   |                  |
|                          |        | Maricopa County, AZ, Hospital Revenue:  |                  |
| 75,000                   | AAA    | Samaritan Health Service, 7.625% due 1/1/08 (b)   | 77,643           |
| 569,000                  | AAA    | St. Lukes Medical Center, 8.750% due 2/1/10 (a)(b)  | 630,845          |
| 70,000                   | AAA    | Pima County, AZ, IDA, Single-Family Housing Authority Revenue, Series A, GNMA/FNMA-Insured, FHLMC-Collateralized, 7.100% due 11/1/29 (c)(d) | 71,649           |
|                          |        | <b>Total Arizona</b>  | <b>780,137</b>   |
| <b>Arkansas □ 1.5%</b>   |        |   |                  |
| 1,500,000                | BBB    | Arkansas State Development Finance Authority Hospital Revenue, Washington Regional Medical Center, Call 2/1/10 @ 100, 7.000% due 2/1/15 (e) | 1,670,850        |
| 1,000,000                | BB     | Warren County, AR, Solid Waste Disposal Revenue, Potlatch Corp. Project, 7.000% due 4/1/12 (c)  | 1,084,130        |
|                          |        | <b>Total Arkansas</b>   | <b>2,754,980</b> |
| <b>California □ 5.3%</b> |        |   |                  |
| 1,500,000                | NR     | Barona, CA, Band of Mission Indians, GO, 8.250% due 1/1/20  | 1,556,505        |
| 3,000,000                | AA-    | California State Economic Recovery, Series A, 5.000% due 7/1/17 (a)   | 3,136,020        |
| 410,000                  | NR     | California Statewide COP Community Development Revenue, Refunding Hospital Triad Healthcare, 6.250% due 8/1/06 (b)                          | 413,542          |
| 10,000                   | NR     | Loma Linda, CA, Community Hospital Corp. Revenue, First Mortgage, 8.000% due 12/1/08 (b)  | 11,045           |
|                          |        | Los Angeles, CA:  |                  |
| 1,115,000                | NR     | COP, Hollywood Presbyterian Medical Center, INDLC-Insured, 9.625% due 7/1/13 (b)  | 1,349,618        |
| 1,000,000                | AAA    | Union School District, Series A, MBIA-Insured, Call 7/1/13 @ 100, 5.375% due 7/1/18 (e)   | 1,096,810        |
| 1,450,000                | AAA    | Morgan Hill, CA, USD, FGIC-Insured, 5.750% due 8/1/17   | 1,590,375        |
| 365,000                  | AAA    | San Francisco, CA, Airport Improvement Corp. Lease Revenue, United Airlines, Inc., 8.000% due 7/1/13 (b)                                    | 420,287          |
| 120,000                  | AAA    | San Leandro, CA, Hospital Revenue, Vesper Memorial Hospital, 11.500% due 5/1/11 (b)   | 144,437          |
|                          |        | <b>Total California</b>   | <b>9,718,639</b> |
| <b>Colorado □ 5.4%</b>   |        |   |                  |
| 1,860,000                | Aaa(f) | Broomfield, CO, COP, Open Space Park & Recreation Facilities, AMBAC-Insured, 5.500% due 12/1/20 (a)   | 1,978,147        |

*See Notes to Schedule of Investments.*

Page 1

**INTERMEDIATE MUNI FUND, INC.****Schedule of Investments (unaudited) (continued)**

March 31, 2006

| Face Amount  | Rating  | Security   | Value            |
|--|---------|--|------------------|
| <b>Colorado</b> □<br><b>5.4%</b><br><b>(continued)</b> |         |  |                  |
|  |         | Colorado Educational & Cultural Facilities Authority Revenue Charter School:<br>Bromley East Project, Series A, Call 9/15/11 @ 100, 7.000% due 9/15/20 |                  |
| \$ 1,000,000   | BBB-(e) |  | \$ 1,152,300     |
| 1,155,000  | AAA     | Bromley School Project, XLCA-Insured, 5.125% due 9/15/20   | 1,231,992        |
| 1,350,000  | AAA     | Refunding & Improvement, University Lab School, XLCA-Insured,<br>5.250% due 6/1/24   | 1,445,026        |
| 500,000  | Baa2(f) | University Lab School Project Call 6/1/11 @ 100, 6.125% due 6/1/21 (e)   | 554,675          |
| 710,000  | BBB     | Denver, CO, Health & Hospital Authority, Series A, 6.250% due 12/1/16  | 765,508          |
| 1,765,000  | AAA     | Pueblo, CO, Bridge Waterworks Water Revenue, Improvement, Series A,<br>FSA-Insured, Call 11/1/10 @ 100, 6.000% due 11/1/14 (a)(e)                      | 1,933,487        |
| 750,000  | A       | SBC Metropolitan District, CO, GO, ACA-Insured, 5.000% due 12/1/25   | 759,698          |
|  |         | <b>Total Colorado</b>  | <b>9,820,833</b> |
| <b>Connecticut</b> □<br><b>3.2%</b>                    |         |  |                  |
| 2,000,000  | AA      | Connecticut State HEFA Revenue, Bristol Hospital, Series B, 5.500% due<br>7/1/21 (a)   | 2,158,980        |
| 1,855,000  | A       | Connecticut State Special Obligation Parking Revenue, Bradley International<br>Airport, Series A, ACA-Insured, 6.375% due 7/1/12 (a)(c)                | 2,024,065        |
| 1,500,000  | AAA     | Connecticut State Special Tax Obligation Revenue, RITES, Series A, FSA-<br>Insured, 6.815% due 10/1/09 (g)   | 1,719,810        |
|  |         | <b>Total Connecticut</b>   | <b>5,902,855</b> |
| <b>Florida</b> □ <b>4.7%</b>                           |         |  |                  |
| 195,000  | AAA     | Lee County, FL, Southwest Florida Regional Airport Revenue, MBIA-<br>Insured, 8.625% due 10/1/09 (b)   | 212,913          |
| 3,250,000  | AAA     | Lee, FL, Memorial Health System, Hospital Revenue, Series A, FSA-Insured,<br>5.750% due 4/1/14 (a)   | 3,526,802        |
| 1,640,000  | NR      | Old Palm Community Development District, FL, Palm Beach Gardens, Series<br>B, 5.375% due 5/1/14  | 1,653,497        |
| 700,000  | NR      | Orange County, FL, Health Facilities Authority Revenue:<br>First Mortgage Healthcare Facilities, 8.750% due 7/1/11                                     | 743,519          |
| 1,500,000  | A+      | Hospital Adventist Health Systems, 6.250% due 11/15/24   | 1,660,320        |
| 455,000  | Aaa(f)  | Southern Adventist Hospital, Adventist Health Systems, 8.750% due<br>10/1/09 (b)   | 497,925          |
| 310,000  | NR      | Sanford, FL, Airport Authority Industrial Development Revenue, Central<br>Florida Terminals Inc. Project A, 7.500% due 5/1/06 (c)                      | 309,975          |
|  |         | <b>Total Florida</b>   | <b>8,604,951</b> |

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**Georgia** □

|                      |        |   |                  |
|----------------------|--------|---|------------------|
| <b>3.7%</b>          |        |   |                  |
| 970,000              | Aaa(f) | Athens, GA, Housing Authority Student Housing Lease Revenue, University of Georgia East Campus, AMBAC-Insured, 5.250% due 12/1/23 | 1,031,440        |
| 650,000              | A-     | Chatham County, GA, Hospital Authority Revenue, Hospital Memorial Health Medical Center, Series A, 6.000% due 1/1/17              | 698,262          |
| 1,000,000            | AAA    | Gainesville, GA, Water & Sewer Revenue, FSA-Insured, 5.375% due 11/15/20  | 1,071,570        |
| 500,000              | A1(f)  | Georgia Municipal Electric Authority, Power System Revenue, Series X, 6.500% due 1/1/12   | 542,820          |
| 1,000,000            | AAA    | Griffin, GA, Combined Public Utilities Revenue, Refunding & Improvement, AMBAC-Insured, 5.000% due 1/1/21                         | 1,051,220        |
| 2,120,000            | AAA    | Metropolitan Atlanta Rapid Transit Georgia Sales Tax Revenue, Series E, 7.000% due 7/1/11 (a)(b)                                  | 2,379,552        |
| <b>Total Georgia</b> |        |   | <b>6,774,864</b> |

**Illinois** □ **4.8%**

|           |      |  |           |
|-----------|------|--|-----------|
| 535,000   | C(f) | Bourbonnais, IL, Industrial Development Revenue, Refunding Kmart Corp. Project, 6.600% due 10/1/06 (h)           | 5,350     |
| 1,500,000 | AAA  | Chicago, IL, O'Hare International Airport Revenue, Refunding Bonds, Lien A-2, FSA-Insured, 5.750% due 1/1/19 (c) | 1,637,655 |
| 1,000,000 | AAA  | Cicero, IL, Tax Increment, Series A, XLCA-Insured, 5.250% due 1/1/21   | 1,067,030 |

*See Notes to Schedule of Investments.*

**Page 2**

**INTERMEDIATE MUNI FUND, INC.**

**Schedule of Investments (unaudited) (continued)**

March 31, 2006

| <b>Face Amount</b>  | <b>Rating</b> □ | <b>Security</b>   | <b>Value</b> |
|---|-----------------|---|--------------|
| <b>Illinois</b> □ <b>4.8%</b>                               |                 |   |              |
| <b>(continued)</b>  |                 |   |              |
| \$ 1,030,000  | AAA             | Glendale Heights, IL, Hospital Revenue, Refunding Glendale Heights Project, Series B, 7.100% due 12/1/15 (b)                        | \$ 1,189,722 |
| 1,000,000   | AA              | Harvey, IL, GO, Radian-Insured, 6.700% due 2/1/09   | 1,001,790    |
| 485,000   | BBB             | Illinois Development Finance Authority, Chicago Charter School Foundation Project A, 5.250% due 12/1/12                             | 496,722      |
| Illinois Health Facilities Authority Revenue:               |                 |   |              |
| 440,000   | AAA             | Methodist Medical Center of Illinois Project, 9.000% due 10/1/10 (b)  | 490,741      |
| 265,000   | AAA             | Ravenswood Hospital Medical Center Project, 7.250% due 8/1/06 (b)   | 268,257      |
| 1,310,000   | AAA             | Kane County, IL, GO, FGIC-Insured, 5.500% due 1/1/14  | 1,421,376    |
| Mount Veron, IL, Elderly Housing Corp., First Lien Revenue: |                 |   |              |
| 235,000   | Ba3(f)          | 7.875% due 4/1/06   | 235,000      |
| 250,000   | Ba3(f)          | 7.875% due 4/1/07   | 250,140      |
| 270,000   | Ba3(f)          | 7.875% due 4/1/08   | 269,946      |
| 1,000,000   | Aaa(f)          | Will County, IL, GO, School District North 122 New Lenox, Capital Appreciation Refunding School, Series D, FSA-Insured, zero coupon |              |

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|                      |        |   |                  |
|----------------------|--------|---|------------------|
|                      |        | bond to yield 5.188% due 11/1/24  | 421,980          |
|                      |        | <b>Total Illinois</b>   | <b>8,755,709</b> |
| <b>Indiana</b>       |        |   |                  |
| <b>0.6%</b>          |        |   |                  |
| 800,000              | AAA    | Ball State University, Indiana University Revenue, Student Fee, Series K, FGIC-Insured, 5.750% due 7/1/20                             | 871,104          |
| 240,000              | AAA    | Madison County, IN, Hospital Authority Facilities Revenue, Community Hospital of Anderson Project, 9.250% due 1/1/10 (b)              | 267,598          |
|                      |        | <b>Total Indiana</b>  | <b>1,138,702</b> |
| <b>Iowa</b>          |        |   |                  |
| <b>1.2%</b>          |        |   |                  |
| 1,000,000            | A1(f)  | Iowa Finance Authority, Health Care Facilities Revenue, Genesis Medical Center, 6.250% due 7/1/20                                     | 1,076,350        |
| 940,000              | AAA    | Muscatine, IA, Electric Revenue, 9.700% due 1/1/13 (b)  | 1,134,148        |
|                      |        | <b>Total Iowa</b>   | <b>2,210,498</b> |
| <b>Kansas</b>        |        |   |                  |
| <b>1.8%</b>          |        |   |                  |
| 1,000,000            | BBB    | Burlington, KS, Environmental Improvement Revenue, Kansas City Power & Light Project, Refunding, 4.750% due 10/1/07 (d)(i)            | 1,009,430        |
| 2,245,000            | AA     | Johnson County, KS, Union School District, Series A, Call 10/1/09 @ 100, 5.125% due 10/1/20 (a)(e)                                    | 2,352,558        |
|                      |        | <b>Total Kansas</b>   | <b>3,361,988</b> |
| <b>Louisiana</b>     |        |   |                  |
| <b>1.2%</b>          |        |   |                  |
| 320,000              | AAA    | Louisiana Public Facilities Authority Hospital Revenue, Southern Baptist Hospital Inc. Project, Aetna-Insured, 8.000% due 5/15/12 (b) | 356,586          |
| 1,690,000            | AAA    | Monroe, LA, Sales & Use Tax Revenue, FGIC-Insured, 5.625% due 7/1/25  | 1,843,029        |
|                      |        | <b>Total Louisiana</b>  | <b>2,199,615</b> |
| <b>Maryland</b>      |        |   |                  |
| <b>1.8%</b>          |        |   |                  |
| 1,000,000            | AAA    | Maryland State Health & Higher EFA Revenue, Refunding Mercy Medical Center, FSA-Insured, 6.500% due 7/1/13                            | 1,114,910        |
| 2,000,000            | AAA    | Montgomery County, MD, GO, 5.250% due 10/1/14 (a)   | 2,146,380        |
|                      |        | <b>Total Maryland</b>   | <b>3,261,290</b> |
| <b>Massachusetts</b> |        |   |                  |
| <b>7.0%</b>          |        |   |                  |
| 690,000              | AAA    | Boston, MA, Water & Sewer Commission Revenue, 10.875% due 1/1/09 (b)  | 770,985          |
| 1,130,000            | Aaa(f) | Lancaster, MA, GO, AMBAC-Insured, 5.375% due 4/15/17  | 1,223,903        |
| 1,500,000            | AAA    | Massachusetts State, GO, RITES, Series PA 993-R, MBIA-Insured, 7.042% due 5/1/09 (g)  | 1,742,910        |
|                      |        | Massachusetts State DFA Revenue:  |                  |
| 500,000              | A      | Curry College, Series A, ACA-Insured, 6.000% due 3/1/20   | 529,065          |
| 370,000              | AAA    | VOA Concord, Series A, GNMA-Collateralized, 6.700% due 10/20/21   | 419,044          |

**See Notes to Schedule of Investments.**

Page 3

INTERMEDIATE MUNI FUND, INC.

Schedule of Investments (unaudited) (continued)

March 31, 2006

INTERMEDIATE MUNI FUND, INC.

5

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| Face Amount                           | Rating  | Security  | Value             |
|---------------------------------------|---------|---|-------------------|
| <b>Massachusetts 7.0%</b>             |         |   |                   |
| <b>(continued)</b>                    |         |   |                   |
| Massachusetts State HEFA Revenue:     |         |   |                   |
| \$ 1,000,000                          | AAA     | Berkshire Health Systems, Series F, 5.000% due 10/1/19  | \$ 1,039,050      |
| Caritas Christi Obligation, Series B: |         |   |                   |
| 2,000,000                             | BBB     | 6.500% due 7/1/12 (a)   | 2,167,840         |
| 835,000                               | BBB     | 6.750% due 7/1/16   | 930,891           |
| 1,000,000                             | BBB-    | Milford-Whitinsville Regional Hospital, Series D, 6.500% due 7/15/23  | 1,072,130         |
| 1,000,000                             | BBB+(j) | Winchester Hospital, Series E, Call 7/1/10 @ 101, 6.750% due 7/1/30 (e)   | 1,115,080         |
| 1,100,000                             | AAA     | Massachusetts State Industrial Finance Agency Assisted Living Facility Revenue, Arbors at Amherst Project, GNMA-Collateralized, 5.750% due 6/20/17 (c)    | 1,168,761         |
| 500,000                               | A3(f)   | New England Education Loan Marketing Corp. Massachusetts Student Loan Revenue, Sub-Issue H, 6.900% due 11/1/09 (c)  | 522,890           |
| <b>Total Massachusetts</b>            |         |   | <b>12,702,549</b> |
| <b>Michigan 3.3%</b>                  |         |   |                   |
| 1,775,000                             | AAA     | Carrier Creek, MI, Drain District No. 326, AMBAC-Insured, 5.000% due 6/1/24 (a)   | 1,866,750         |
| 1,000,000                             | AAA     | Jenison, MI, Public Schools GO, Building and Site, FGIC-Insured, 5.500% due 5/1/20  | 1,082,370         |
| 1,000,000                             | Aaa(f)  | Memphis, MI, Community Schools GO, Call 5/1/09 @ 100, 5.150% due 5/1/19 (e)   | 1,032,030         |
| 1,000,000                             | A       | Michigan State Hospital Finance Authority Revenue, Oakwood Obligated Group, 5.500% due 11/1/18  | 1,061,890         |
| 1,000,000                             | AAA     | Walled Lake, MI, Consolidated School District, MBIA-Insured, 5.000% due 5/1/22  | 1,047,500         |
| <b>Total Michigan</b>                 |         |   | <b>6,090,540</b>  |
| <b>Missouri 1.7%</b>                  |         |   |                   |
| 1,000,000                             | AAA     | Hazelwood, MO, School District, Missouri Direct Deposit Program, Series A, FGIC-Insured, 5.000% due 3/1/23  | 1,052,810         |
| 405,000                               | A-(j)   | Lees Summit, MO, IDA Health Facilities Revenue, John Knox Village, 5.750% due 8/15/11   | 425,898           |
| 1,000,000                             | Aaa(f)  | Missouri State Environmental Improvement & Energy Resource Authority, Water Pollution Control, State Revolving Funds Program, Series C, 5.250% due 7/1/18 | 1,106,690         |
| 35,000                                | AAA     | Missouri State Housing Development Community Mortgage Revenue, Series C, GNMA/FNMA-Collateralized, 7.450% due 9/1/27 (c)                                  | 35,823            |
| 345,000                               | AAA     | Nevada, MO, Waterworks Systems Revenue, AMBAC-Insured, 10.000% due 10/1/10 (b)  | 399,037           |
| <b>Total Missouri</b>                 |         |   | <b>3,020,258</b>  |
| <b>Nebraska 1.4%</b>                  |         |   |                   |
| NebHELP Inc. Nebraska Revenue:        |         |   |                   |
| 1,500,000                             | AAA     | Series A-5A, MBIA-Insured, 6.200% due 6/1/13 (c)  | 1,537,440         |
| 1,000,000                             | AAA     | Series A-6, MBIA-Insured, 6.450% due 6/1/18 (c)   | 1,036,590         |
| <b>Total Nebraska</b>                 |         |   | <b>2,574,030</b>  |

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**Nevada** □

|  |    |  |                  |
|--|----|--|------------------|
| <b>0.6%</b>                                    |    |  |                  |
| Henderson, NV, Health Care Facilities Revenue: |    |  |                  |
| 470,000  | A- | Pre-Refunded, Catholic West, Series A, 6.200% due 7/1/09 (b)   | 487,470          |
| 535,000  | A- | Unrefunded Balance, Catholic West, Series A, 6.200% due 7/1/09 | 568,213          |
| <b>Total Nevada</b>                            |    |  | <b>1,055,683</b> |

**New Hampshire** □ **0.5%**

|         |   |   |                |
|---------|---|---|----------------|
| 865,000 | A | New Hampshire HEFA, Covenant Healthcare System, 6.500% due 7/1/17 | <b>964,769</b> |
|---------|---|---|----------------|

**New Jersey** □

|             |     |   |                |
|-------------|-----|---|----------------|
| <b>0.1%</b> |     |   |                |
| 170,000     | AAA | Ringwood Borough, NJ, Sewer Authority Special Obligation, 9.875% due 7/1/13 (b) | <b>204,536</b> |

*See Notes to Schedule of Investments.*

*Page 4*

**INTERMEDIATE MUNI FUND, INC.**

**Schedule of Investments (unaudited) (continued)**

March 31, 2006

| Face Amount                         | Rating | Security  | Value               |
|-------------------------------------|--------|---|---------------------|
| <b>New Mexico</b> □                 |        |   |                     |
| <b>0.7%</b>                         |        |   |                     |
| \$ 1,100,000                        | AAA    | Bernalillo County, NM, Gross Receipts Tax Revenue, AMBAC-Insured, 5.250% due 10/1/18  | \$ <b>1,210,231</b> |
| <b>New York</b> □                   |        |   |                     |
| <b>2.7%</b>                         |        |   |                     |
| 895,000                             | NR     | New York City, NY, IDA, Civic Facility Revenue, Community Hospital Brooklyn, 6.875% due 11/1/10                                 | 915,674             |
| 1,760,000                           | AAA    | New York State Dormitory Authority Revenue, Mental Health Services Facilities, 5.000% due 2/15/18 (a)                           | 1,863,189           |
| 2,000,000                           | AA-    | Tobacco Settlement Financing Corp., New York, Asset-Backed, Series C-1, 5.500% due 6/1/14 (a)                                   | 2,097,060           |
| <b>Total New York</b>               |        |   | <b>4,875,923</b>    |
| <b>North Carolina</b> □ <b>1.4%</b> |        |   |                     |
| 170,000                             | AAA    | Charlotte North Carolina Mortgage Revenue, Refunding Double Oaks Apartments, Series A, FNMA-Collateralized, 7.300% due 11/15/07 | 173,932             |
| 1,000,000                           | BBB    | North Carolina Eastern Municipal Power Agency, Power System Revenue, Series D, 6.450% due 1/1/14                                | 1,087,390           |
| 1,175,000                           | AAA    | North Carolina Municipal Power Agency No. 1, Catawba Electricity Revenue, 10.500% due 1/1/10 (b)                                | 1,343,613           |
| <b>Total North Carolina</b>         |        |   | <b>2,604,935</b>    |
| <b>Ohio</b> □ <b>7.3%</b>           |        |   |                     |
| 1,370,000                           | AAA    | Cleveland, OH, Waterworks Revenue, Series K, Call 1/1/12 @ 100, 5.250% due 1/1/21 (e)   | 1,470,750           |
| 1,255,000                           | BBB    | Cuyahoga County, OH, Hospital Facilities Revenue, Canton, Inc. Project, 6.750% due 1/1/10                                       | 1,315,303           |
| 1,855,000                           | Aaa(f) | Highland, OH, Local School District, School Improvement, FSA-Insured, Call  |                     |

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|                   |        |  |                   |
|-------------------|--------|--|-------------------|
|                   |        | 12/1/11 @ 100, 5.750% due 12/1/19 (a)(e)   | 2,040,407         |
| 1,000,000         | Aaa(f) | Kettering, OH, City School District, School Improvement, FSA-Insured,<br>5.000% due 12/1/19  | 1,057,500         |
|                   |        | Lake County, OH, Hospital Improvement Revenue:   |                   |
| 210,000           | AAA    | Lake County Memorial Hospital Project, 8.625% due 11/1/09 (b)  | 229,990           |
| 115,000           | Aaa(f) | Ridgecliff Hospital Project, 8.000% due 10/1/09 (b)  | 124,101           |
| 95,000            | AAA    | Lima, OH, Hospital Revenue, St. Rita Hospital of Lima, 7.500% due 11/1/06 (b)  | 97,185            |
| 1,500,000         | BBB-   | Ohio State Air Quality Development Authority Revenue, Cleveland Pollution<br>Control, Series A, 6.000% due 12/1/13   | 1,558,605         |
| 3,010,000         | AA+    | Ohio State GO, Conservation Project, Series A, 5.250% due 9/1/13 (a)<br>Ohio State Water Development Authority Revenue:  | 3,193,881         |
| 1,785,000         | AAA    | 9.375% due 12/1/10 (b)(k)  | 1,980,011         |
| 245,000           | AAA    | Safe Water, Series 3, 9.000% due 12/1/10 (b)   | 269,154           |
|                   |        | <b>Total Ohio</b>  | <b>13,336,887</b> |
| <b>Oklahoma ☐</b> |        |  |                   |
| <b>0.7%</b>       |        |  |                   |
| 55,000            | AAA    | Oklahoma State Industries Authority Revenue, Hospital Oklahoma Health<br>Care Corp., Series A, Call 5/1/07 @ 100, 9.125% due 11/1/08 (e)                         | 57,750            |
| 260,000           | BBB(j) | Tulsa, OK, Housing Assistance Corp. MFH Revenue, 7.250% due 10/1/07 (c)<br>Tulsa, OK, Municipal Airport Trust Revenue, Refunding American Airlines,<br>Series B: | 261,430           |
| 500,000           | B-     | 5.650% due 12/1/08 (c)(d)(i)   | 495,475           |
| 500,000           | B-     | 6.000% due 12/1/08 (c)(d)(i)   | 499,710           |
|                   |        | <b>Total Oklahoma</b>  | <b>1,314,365</b>  |
| <b>Oregon ☐</b>   |        |  |                   |
| <b>1.2%</b>       |        |  |                   |
| 935,000           | BBB(j) | Klamath Falls, OR, International Community Hospital Authority Revenue,<br>Merle West Medical Center Project, 8.000% due 9/1/08 (b)                               | 987,790           |
| 1,200,000         | NR     | Wasco County, OR, Solid Waste Disposal Revenue, Waste Connections Inc.<br>Project, 7.000% due 3/1/12 (c)   | 1,264,236         |
|                   |        | <b>Total Oregon</b>  | <b>2,252,026</b>  |

*See Notes to Schedule of Investments.*

Page 5

INTERMEDIATE MUNI FUND, INC.

Schedule of Investments (unaudited) (continued)

March 31, 2006

| Face<br>Amount      | Rating☐ | Security   | Value      |
|---------------------|---------|--|------------|
| <b>Pennsylvania</b> |         |  |            |
| <b>☐ 6.4%</b>       |         |  |            |
| \$ 865,000          | AAA     | Conneaut, PA, School District GO, AMBAC-Insured, 9.500% due 5/1/12 (b)   | \$ 990,598 |
| 1,855,000           | AAA     | Delaware River Port Authority Pennsylvania and New Jersey, RITES, Series 964,<br>FSA-Insured, 6.808% due 1/1/10 (a)(g) | 2,153,395  |
| 1,000,000           | Aaa(f)  | Harrisburg, PA, Parking Authority Parking Revenue, FSA-Insured, 5.500%<br>due 5/15/20                                  | 1,081,690  |



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|                                     |         |   |                   |
|-------------------------------------|---------|---|-------------------|
| 1,365,000                           | AA      | Northampton County, PA, IDA Revenue, Mortgage Moravian Hall Square Project, Radian-Insured, 5.500% due 7/1/19                   | 1,452,633         |
| 1,000,000                           | AAA     | Pennsylvania State IDA Revenue, Economic Development, AMBAC-Insured, 5.500% due 7/1/21  | 1,089,260         |
| 100,000                             | AAA     | Philadelphia, PA, Hospital Authority Revenue, Thomas Jefferson University Hospital, 7.000% due 7/1/08 (b)                       | 103,828           |
| 1,000,000                           | AAA     | Philadelphia, PA, School District, Series A, FSA-Insured, Call 2/1/12 @ 100, 5.500% due 2/1/23 (e)                              | 1,087,440         |
| 2,000,000                           | AAA     | Philadelphia, PA, Water & Wastewater, Series B, FGIC-Insured, 5.250% due 11/1/14 (a)  | 2,150,340         |
| 1,350,000                           | AAA     | Pittsburgh, PA, School District GO, FSA-Insured, 5.375% due 9/1/16  | 1,498,190         |
|                                     |         | <b>Total Pennsylvania</b>   | <b>11,607,374</b> |
| <b>Puerto Rico</b> ☐                |         |   |                   |
| <b>0.8%</b>                         |         |   |                   |
| 1,500,000                           | BBB-    | Puerto Rico Housing Bank & Finance Agency, 7.500% due 12/1/06   | <b>1,529,790</b>  |
| <b>Rhode Island</b> ☐ <b>0.6%</b>   |         |   |                   |
| 1,000,000                           | AA      | Central Falls, RI, GO, Radian-Insured, 5.875% due 5/15/15   | <b>1,079,010</b>  |
| <b>South Carolina</b> ☐ <b>3.3%</b> |         |   |                   |
| 95,000                              | AAA     | Anderson County, SC, Hospital Facilities Revenue, 7.125% due 8/1/07 (b)   | 97,609            |
| 1,445,000                           | AA      | Charleston, SC, Waterworks & Sewer Revenue, 5.250% due 1/1/16   | 1,539,315         |
|                                     |         | Greenville County, SC, School District Installment Purchase Revenue, Building Equity Sooner for Tomorrow, Call 12/1/12 @ 101:   |                   |
| 2,000,000                           | AA-     | 5.875% due 12/1/19 (a)(e)   | 2,244,940         |
| 2,000,000                           | AA-     | 6.000% due 12/1/21 (e)  | 2,222,983         |
|                                     |         | <b>Total South Carolina</b>   | <b>6,104,847</b>  |
| <b>South Dakota</b> ☐               |         |   |                   |
| <b>1.9%</b>                         |         |   |                   |
| 2,400,000                           | Aa2(f)  | Minnehaha County, SD, GO, Limited Tax Certificates, Call 12/1/10 @ 100, 5.625% due 12/1/20 (a)(e)                               | 2,569,296         |
| 795,000                             | A       | South Dakota Economic Development Finance Authority, Economic Development Revenue, APA Optics, Series A, 6.750% due 4/1/16 (c)  | 821,108           |
|                                     |         | <b>Total South Dakota</b>   | <b>3,390,404</b>  |
| <b>Tennessee</b> ☐                  |         |   |                   |
| <b>0.5%</b>                         |         |   |                   |
| 530,000                             | AAA     | Jackson, TN, Water & Sewer Revenue, 7.200% due 7/1/12 (b)   | 581,007           |
| 355,000                             | Baa1(f) | McMinnville, TN, Housing Authority Revenue, Refunding First Mortgage Beersheba Heights, 6.000% due 10/1/09                      | 366,186           |
|                                     |         | <b>Total Tennessee</b>  | <b>947,193</b>    |
| <b>Texas</b> ☐ <b>7.8%</b>          |         |   |                   |
| 2,000,000                           | Aa3(f)  | Brazos River, TX, Harbor Navigation District, BASF Corp. Project, 6.750% due 2/1/10 (a)   | 2,207,180         |
| 2,000,000                           | AAA     | Dallas, TX, Area Rapid Transit Sales Tax Revenue, Senior Lien, AMBAC-Insured, 5.375% due 12/1/16 (a)                            | 2,139,940         |
|                                     |         | Dallas-Fort Worth, TX:  |                   |
| 1,500,000                           | CCC     | International Airport Facility, Improvement Corp. Revenue, Refunding, American Airlines, Series C, 6.150% due 11/1/07 (c)(d)(i) | 1,484,505         |
| 1,000,000                           | AAA     | International Airport Revenue, Refunding, Series B, FSA-Insured, 5.500% due 11/1/20   | 1,064,580         |

## INTERMEDIATE MUNI FUND, INC.

## Schedule of Investments (unaudited) (continued)

March 31, 2006

| Face Amount  | Rating  | Security   | Value             |
|--|---------|--|-------------------|
| <b>Texas 7.8%</b>  |         |  |                   |
| <b>(continued)</b>   |         |  |                   |
| \$ 275,000   | Baa3(f) | El Paso County, TX, Housing Finance Corp.:<br>La Plaza Apartments, Sub-Series C, 8.000% due 7/1/30   | \$ 279,587        |
| 360,000  | A3(f)   | MFH Revenue, Series A, American Village Communities, 6.250% due<br>12/1/24   | 368,208           |
| El Paso, TX, Water & Sewer Revenue, Refunding & Improvement, Series A,<br>FSA-Insured: |         |  |                   |
| 45,000   | AAA     | 6.000% due 3/1/15  | 49,890            |
| 955,000  | AAA     | Call 3/1/12 @ 100, 6.000% due 3/1/15 (e)   | 1,059,305         |
| 2,000,000  | AA      | Fort Worth, TX, Water & Sewer Revenue, Call 2/15/12 @ 100, 5.625% due<br>2/15/17 (a)(e)  | 2,183,480         |
| 585,000  | AAA     | Grand Prairie, TX, Housing Finance Corp., MFH Revenue, Landings of<br>Carrier Project, Series A, GNMA-Collateralized, 6.650% due 9/20/22                 | 649,110           |
| 1,000,000  | AAA     | Harris County, TX, Hospital District Revenue, MBIA-Insured, 6.000% due<br>2/15/15  | 1,085,920         |
| 1,000,000  | AAA     | Southwest Higher Education Authority Inc., Southern Methodist University<br>Project, AMBAC-Insured, 5.500% due 10/1/19                                   | 1,090,350         |
| 275,000  | Aaa(f)  | Tarrant County, TX, Hospital Authority Revenue, Adventist Health System-<br>Sunbelt, 10.250% due 10/1/10 (b)   | 317,455           |
| 175,000  | AAA     | Texas State Department Housing Community Affairs Home Mortgage<br>Revenue, RIBS Series C-2, GNMA/FNMA/FHLMC-Collateralized,<br>10.271% due 7/2/24 (c)(l) | 174,503           |
| <b>Total Texas</b>   |         |  | <b>14,154,013</b> |
| <b>Utah 1.8%</b>   |         |  |                   |
| 1,580,000  | Aaa(f)  | Salt Lake & Sandy, UT, Metropolitan Water District Revenue, Series A,<br>AMBAC-Insured, 5.000% due 7/1/24  | 1,657,341         |
| Spanish Fork City, UT, Water Revenue, FSA-Insured:                                     |         |  |                   |
| 1,135,000  | Aaa(f)  | 5.500% due 6/1/16  | 1,228,308         |
| 350,000  | Aaa(f)  | Call 6/1/12 @ 100, 5.500% due 6/1/16 (e)   | 382,165           |
| <b>Total Utah</b>  |         |  | <b>3,267,814</b>  |
| <b>Washington 1.9%</b>   |         |  |                   |
| 1,250,000  | Aaa(f)  | Cowlitz County, WA, School District, No. 122 Longview, FSA-Insured,<br>5.500% due 12/1/19  | 1,335,512         |
| 2,000,000  | AAA     | Energy Northwest Washington Electric Revenue, Project No. 3, Series A,<br>FSA-Insured, 5.500% due 7/1/18 (a)   | 2,150,760         |
| <b>Total Washington</b>  |         |  | <b>3,486,272</b>  |
| <b>West Virginia 0.1%</b>  |         |  |                   |
| 95,000   | AAA     | Cabell Putnam & Wayne Counties, WV, Single - Family Residence Mortgage   |                   |

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|                                    |          |   |                    |
|------------------------------------|----------|---|--------------------|
|                                    |          | Revenue, FGIC-Insured, 7.375% due 4/1/10 (b)  | <b>100,447</b>     |
| <b>Wisconsin</b> □                 |          |   |                    |
| <b>1.2%</b>                        |          |   |                    |
| 2,000,000                          | BBB      | La Crosse, WI, Resource Recovery Revenue, Refunding Bonds, Northern States Power Co. Project, Series A, 6.000% due 11/1/21 (a)(c)                         | <b>2,118,700</b>   |
|                                    |          | <b>TOTAL INVESTMENTS BEFORE SHORT-TERM INVESTMENTS</b>  |                    |
|                                    |          | (Cost □ \$168,853,756)  | <b>173,936,325</b> |
| <b>SHORT-TERM INVESTMENTS(m)</b> □ |          |   |                    |
| <b>Alaska</b> □                    |          |   |                    |
|                                    |          |   |                    |
| 900,000                            | A-1+     | Valdez, AK, Marine Terminal, BP Pipelines Inc. Project, Series B, 3.190%, 4/3/06  | <b>900,000</b>     |
| <b>Florida</b> □                   |          |   |                    |
| <b>0.1%</b>                        |          |   |                    |
| 100,000                            | VMIG1(f) | Brevard County, FL, Health Facilities Authority, Health Facilities Revenue, Refunding Bonds, Health First Inc. Project, LOC-SunTrust Bank, 3.180%, 4/3/06 | <b>100,000</b>     |

*See Notes to Schedule of Investments.*

Page 7

**INTERMEDIATE MUNI FUND, INC.**

**Schedule of Investments (unaudited) (continued)** March 31, 2006

| Face<br>Amount         | Rating□  | Security   | Value               |
|------------------------|----------|--|---------------------|
| <b>Illinois</b> □      |          |  |                     |
| <b>1.1%</b>            |          |  |                     |
| \$ 2,000,000           | A-1+     | Illinois Health Facilities Authority, University of Chicago Hospital Project, Series C, MBIA-Insured, LIQ-JPMorgan Chase, 3.130%, 4/3/06                         | \$ <b>2,000,000</b> |
| <b>Massachusetts</b> □ |          |  |                     |
| <b>0.2%</b>            |          |  |                     |
| 400,000                | VMIG1(f) | Massachusetts State HEFA, Capital Asset Program, Series E, LOC-Bank of America, 3.130%, 4/3/06   | <b>400,000</b>      |
| <b>Pennsylvania</b> □  |          |  |                     |
| <b>0.3%</b>            |          |  |                     |
| 100,000                | A-1+     | Geisinger Authority Pennsylvania Health Systems, 3.160%, 4/3/06  | 100,000             |
|                        |          | Pennsylvania State Higher EFA, Carnegie Mellon University:   |                     |
| 100,000                | A-1+     | Series B, SPA-Morgan Guaranty Trust, 3.150%, 4/3/06  | 100,000             |
| 200,000                | A-1+     | Series C, SPA-JPMorgan Chase, 3.150%, 4/3/06   | 200,000             |
| 100,000                | A-1+     | Philadelphia, PA, Hospitals & Higher Education Facilities Authority, Hospital Revenue, Children's Hospital Project, Series A, SPA-JPMorgan Chase, 3.140%, 4/3/06 | 100,000             |
|                        |          | <b>Total Pennsylvania</b>  | <b>500,000</b>      |
| <b>Texas</b> □         |          |  |                     |
| <b>2.4%</b>            |          |  |                     |
|                        |          | Bell County, TX, Health Facilities Development Corp. Revenue, Scott & White Memorial Hospital:   |                     |
| 1,000,000              | A-1+     | HFA, Series 2001-2, MBIA-Insured, SPA-Westdeutsche Landesbank, 3.180%, 4/3/06  | 1,000,000           |
| 1,200,000              | A-1+     | Series 2001-1, MBIA-Insured, SPA-JPMorgan Chase, 3.180%, 4/3/06  | 1,200,000           |

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|                        |         |  |                      |
|------------------------|---------|--|----------------------|
| 800,000                | A-1+    | Series B-2, MBIA-Insured, SPA-Chase Bank of Texas N.A., 3.180%,<br>4/3/06  | 800,000              |
|                        |         | Harris County, TX, Health Facilities Development Corp. Revenue:  |                      |
| 500,000                | A-1+    | Refunding, The Methodist Hospital Systems, Series B, 3.170%, 4/3/06 (e)  | 500,000              |
| 600,000                | A-1+    | Special Facilities, Texas Medical Center Project, MBIA-Insured, SPA-<br>JPMorgan Chase, 3.180%, 4/3/06                     | 600,000              |
| 400,000                | A-1+    | St. Luke's Episcopal Hospital, Series B, SPA-Northern Trust Co.,<br>Bayerische Landesbank, Bank of America, 3.170%, 4/3/06 | 400,000              |
|                        |         | <b>Total Texas</b>   | <b>4,500,000</b>     |
| <b>Virginia ☐ 0.1%</b> |         |  |                      |
| 200,000                | F-1+(j) | Alexandria, VA, IDA Revenue, Goodwin House, LOC-Wachovia Bank,<br>3.170%, 4/3/06   | <b>200,000</b>       |
|                        |         | <b>TOTAL SHORT-TERM INVESTMENTS</b>  | <b>8,600,000</b>     |
|                        |         | (Cost ☐ \$8,600,000)   | <b>8,600,000</b>     |
|                        |         | <b>TOTAL INVESTMENTS ☐ 100.0%</b> (Cost ☐ \$177,453,756#)  | <b>\$182,536,325</b> |

All ratings are by Standard & Poor's Ratings Service, unless otherwise noted.

- (a) All or a portion of this security is segregated for open futures contracts.
  - (b) Bonds are escrowed to maturity by government securities and/or U.S. government agency securities and are considered by the Manager to be triple-A rated even if issuer has not applied for new ratings.
  - (c) Income from this issue is considered a preference item for purposes of calculating the alternative minimum tax ("AMT").
  - (d) Variable rate security. Interest rate disclosed is that which is in effect at March 31, 2006.
  - (e) Pre-Refunded bonds are escrowed with government obligations and/or government agency securities and are considered by the Manager to be triple-A rated even if issuer has not applied for new ratings.
  - (f) Rating by Moody's Investors Service.
  - (g) Residual interest tax-exempt securities -- coupon varies inversely with level of short-term tax-exempt interest rates.
  - (h) Security is currently in default.
  - (i) Maturity date shown represents the mandatory tender date.
  - (j) Rating by Fitch Ratings Service.
  - (k) All or a portion of this security is held at the broker as collateral for open futures contracts.
  - (l) Residual interest bonds--coupon varies inversely with level of short-term tax-exempt interest rates.
  - (m) Variable rate demand obligations have a demand feature under which the Fund can tender them back to the issuer on no more than 7 days notice. Date shown is the date of the next interest rate change.
- # Aggregate cost for federal income tax purposes is substantially the same.

**See Notes to Schedule of Investments.**

**Page 8**

**INTERMEDIATE MUNI FUND, INC.**

**Schedule of Investments (unaudited) (continued)**

March 31, 2006

Abbreviations used in this schedule:

|       |   |
|-------|---|
| ACA   | American Capital Assurance                |
| AMBAC | Ambac Assurance Corporation               |
| COP   | Certificate of Participation              |
| DFA   | Development Finance Agency                |
| EFA   | Educational Facilities Authority          |
| FGIC  | Financial Guaranty Insurance Company      |
| FHLMC | Federal Home Loan Mortgage Corporation    |
| FNMA  | Federal National Mortgage Association     |
| FSA   | Financial Security Assurance              |
| GNMA  | Government National Mortgage Association  |
| GO    | General Obligation                        |
| HEFA  | Health & Educational Facilities Authority |
| HFA   | Housing Finance Authority                 |

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|        |  |
|--------|--|
| IDA    | Industrial Development Authority               |
| INDLC  | Industrial Indemnity Company                   |
| LIQ    | Liquidity Facility                             |
| LOC    | Letter of Credit                               |
| MBIA   | Municipal Bond Investors Assurance Corporation |
| MFH    | Multi-Family Housing                           |
| Radian | Radian Assets Assurance                        |
| RIBS   | Residual Interest Bonds                        |
| RITES  | Residual Interest Tax-Exempt Securities        |
| SPA    | Standby Bond Purchase Agreement                |
| USD    | Unified School District                        |
| XLCA   | XL Capital Assurance Inc.                      |

### Summary of Investments by Industry \* (unaudited)

|                      |        |
|----------------------|--------|
| Hospitals            | 16.6%  |
| Pre-Refunded         | 14.6   |
| Education            | 11.5   |
| Escrowed to Maturity | 10.5   |
| Transportation       | 8.0    |
| General Obligation   | 7.8    |
| Utilities            | 5.1    |
| Miscellaneous        | 5.0    |
| Pollution Control    | 4.9    |
| Tax Allocation       | 4.0    |
| Water & Sewer        | 3.3    |
| Other                | 8.7    |
|                      | 100.0% |

\* As a percentage of total investments. Please note that Fund holdings are as of March 31, 2006 and are subject to change.

**See Notes to Schedule of Investments.**

Page 9

## INTERMEDIATE MUNI FUND, INC.

### Bond Ratings (unaudited)

The definitions of the applicable rating symbols are set forth below:

*Standard & Poor's Ratings Service* ( *Standard & Poor's* ) Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories.

|                      |  |
|----------------------|--|
| AAA                  | Bonds rated AAA have the highest rating assigned by Standard & Poor's. Capacity to pay interest and repay principal is extremely strong.   |
| AA                   | Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issues only in a small degree.  |
| A                    | Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.  |
| BBB                  | Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than in higher rated categories.  |
| BB, B, CCC, CC and C | Bonds rated BB, B, CCC, CC and C are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB represents the lowest degree of speculation and C the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. |

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|     |  |
|-----|--|
| D   | Bonds rated D are in default and payment of interest and/or repayment of principal is in arrears. <i>Moody's Investors Service (Moody's)</i> Numerical modifiers 1, 2 and 3 may be applied to each generic rating from Aa to Caa, where 1 is the highest and 3 the lowest ranking within its generic category.   |
| Aaa | Bonds rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as <i>gilt edge</i> . Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.                 |
| Aa  | Bonds rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long-term risks appear somewhat larger than in Aaa securities. |
| A   | Bonds rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present which suggest a susceptibility to impairment some time in the future.   |
| Baa | Bonds rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.                              |
| Ba  | Bonds rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and therefore not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.  |

### INTERMEDIATE MUNI FUND, INC.

#### Bond Ratings (unaudited) (continued)

|   |   |
|---|---|
| B   | Bonds rated B are generally lack characteristics of desirable investments. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.   |
| Caa   | Bonds rated Caa are of poor standing. These may be in default, or present elements of danger may exist with respect to principal or interest.   |
| Ca  | Bonds rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked short-comings.   |
| C   | Bonds rated C are the lowest class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.  |
| <i>Fitch Ratings Service (Fitch)</i> Ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standings within the major rating categories |   |
| AAA   | Bonds rated AAA have the highest rating assigned by Fitch. Capacity to pay interest and repay principal is extremely strong.  |
| AA  | Bonds rated AA have a very strong capacity to pay interest and repay principal and differ from the highest rated issues only in a small degree.   |
| A   | Bonds rated A have a strong capacity to pay interest and repay principal although they are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.   |
| BBB   | Bonds rated BBB are regarded as having an adequate capacity to pay interest and repay principal. Whereas they normally exhibit adequate protection parameters, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for bonds in this category than in higher rated categories.   |
| BB, B, CCC and CC   | Bonds rated BB, B, CCC and CC are regarded, on balance, as predominantly speculative with respect to capacity to pay interest and repay principal in accordance with the terms of the obligation. BB represents a lower degree of speculation than B, and CC the highest degree of speculation. While such bonds will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposures to adverse conditions. |
| NR  | Indicates that the bond is not rated by Standard & Poor's, Moody's or Fitch.  |

#### Short-Term Security Ratings (unaudited)

|      |   |
|------|---|
| SP-1 | Standard & Poor's highest rating indicating very strong or strong capacity to pay principal and interest; those issues determined to possess overwhelming safety characteristics are denoted with a plus (+) sign.                                |
| A-1  | Standard & Poor's highest commercial paper and variable-rate demand obligation (VRDO) rating indicating that the degree of safety regarding timely payment is either overwhelming or very strong; those issues determined to possess overwhelming |

|        |   |
|--------|---|
|        | safety characteristics are denoted with a plus (+) sign.  |
| VMIG 1 | Moody's highest rating for issues having a demand feature VRDO.   |
| MIG1   | Moody's highest rating for short-term municipal obligations.  |
| P-1    | Moody's highest rating for commercial paper and for VRDO prior to the advent of the VMIG 1 rating.  |
| F-1    | Fitch's highest rating indicating the strongest capacity for timely payment of financial commitments; those issues determined to possess overwhelming strong credit feature are denoted with a plus (+) sign. |

**INTERMEDIATE MUNI FUND, INC.**

**Notes to Schedule of Investments (unaudited)**

**1. Organization and Significant Accounting Policies**

The Intermediate Muni Fund, Inc. (the "Fund") was incorporated in Maryland and is registered as a diversified, closed-end management investment company under the Investment Company Act of 1940, as amended, (the "1940 Act").

The following are significant accounting policies consistently followed by the Fund and are in conformity with U.S. generally accepted accounting principles ("GAAP").

**(a) Investment Valuation.** Securities are valued at the mean between the bid and asked prices provided by an independent pricing service that are based on transactions in municipal obligations, quotations from municipal bond dealers, market transactions in comparable securities and various other relationships between securities. Securities for which market quotations are not readily available or are determined not to reflect fair value, will be valued in good faith by or under the direction of the Fund's Board of Directors. Short-term obligations with maturities of 60 days or less are valued at amortized cost, which approximates value.

**(b) Financial Futures Contracts.** The Fund may enter into financial futures contracts typically to hedge a portion of the portfolio. Upon entering into a financial futures contract, the Fund is required to deposit cash or securities as initial margin. Additional securities are also segregated up to the current market value of the financial futures contracts. Subsequent payments, known as variation margin, are made or received by the Fund each day, depending on the daily fluctuation in the value of the underlying financial instruments. The Fund recognizes an unrealized gain or loss equal to the daily variation margin. When the financial futures contracts are closed, a realized gain or loss is recognized equal to the difference between the proceeds from (or cost of) the closing transactions and the Fund's basis in the contracts.

The risks associated with entering into financial futures contracts include the possibility that a change in the value of the contract may not correlate with the changes in the value of the underlying instruments. In addition, investing in financial futures contracts involves the risk that the Fund could lose more than the original margin deposit and subsequent payments required for a futures transaction. Risks may also arise upon entering into these contracts from the potential inability of the counterparties to meet the terms of their contracts.

**(c) Security Transactions.** Security transactions are accounted for on a trade date basis.

**2. Investments**

At March 31, 2006, the aggregate gross unrealized appreciation and depreciation of investments for federal income tax purposes were substantially as follows:

|                               |             |
|-------------------------------|-------------|
| Gross unrealized appreciation | \$6,179,588 |
| Gross unrealized depreciation | (1,097,019) |
| Net unrealized appreciation   | \$5,082,569 |

At March 31, 2006, the Fund had the following open futures contracts:

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|                            | <b>Number of<br/>Contracts</b> | <b>Expiration<br/>Date</b> | <b>Basis<br/>Value</b> | <b>Market<br/>Value</b> | <b>Unrealized<br/>Gain</b> |
|----------------------------|--------------------------------|----------------------------|------------------------|-------------------------|----------------------------|
| <b>Contracts to Sell:</b>  |                                |                            |                        |                         |                            |
| U.S. 10 Year Treasury Note | 550                            | 6/06                       | \$58,798,438           | \$58,514,844            | \$283,594                  |

ITEM 2. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the disclosure controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934.
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are likely to materially affect the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

Certifications pursuant to Rule 30a-2(a) under the Investment Company Act of 1940, as amended, are attached hereto.

**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.

Intermediate Muni Fund, Inc.

By /s/ R. Jay Gerken  
R. Jay Gerken  
Chief Executive Officer

Date: May 30, 2006

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/ R. Jay Gerken  
R. Jay Gerken  
Chief Executive Officer

Date: May 30, 2006

By /s/ Robert J. Brault  
Robert J. Brault  
Chief Financial Officer

Date: May 30, 2006