

NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC
Form N-CSRS
July 07, 2011

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

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21169

NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC.

(Exact Name of the Registrant as Specified in Charter)

c/o Neuberger Berman Management LLC

605 Third Avenue, 2nd Floor

New York, New York 10158-0180

(Address of Principal Executive Offices – Zip Code)

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

Robert Conti, Chief Executive Officer

c/o Neuberger Berman Management LLC

Neuberger Berman New York Intermediate Municipal Fund Inc.

605 Third Avenue, 2nd Floor

New York, New York 10158-0180

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Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31, 2011

Date of reporting period: April 30, 2011

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

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

burden to the Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. § 3507.

Item 1. Report to Stockholders

Neuberger Berman
Intermediate Municipal
Closed-End Funds

Neuberger Berman California
Intermediate
Municipal Fund Inc.

Neuberger Berman Intermediate
Municipal Fund Inc.

Neuberger Berman New York
Intermediate
Municipal Fund Inc.

Semi-Annual Report

April 30, 2011

Contents	
PRESIDENT'S LETTER	1
PORTFOLIO COMMENTARIES	
	2
California Intermediate Municipal Fund Inc.	
Intermediate Municipal Fund Inc.	2
New York Intermediate Municipal Fund Inc.	2
SCHEDULES OF INVESTMENTS	
	7
California Intermediate Municipal Fund Inc.	
Intermediate Municipal Fund Inc.	11
New York Intermediate Municipal Fund Inc.	18
FINANCIAL STATEMENTS	24
FINANCIAL HIGHLIGHTS/PER SHARE DATA	
	37
California Intermediate Municipal Fund Inc.	
Intermediate Municipal Fund Inc.	38
New York Intermediate Municipal Fund Inc.	39
Distribution Reinvestment Plan	41
Directory	43
Proxy Voting Policies and Procedures	44
Quarterly Portfolio Schedule	44

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President's Letter

Dear Shareholder,

I am pleased to present this semi-annual report for the Neuberger Berman Intermediate Municipal Closed-End Funds for the six months ended April 30, 2011. The report includes portfolio commentaries, listings of the Funds' investments, and their unaudited financial statements for the reporting period.

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

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

In addition, I would like to provide an update on the Funds' tender offer activities. In February 2009, each Fund's Board of Directors authorized a tender offer program consisting of up to four tender offers over a two-year period. Under each program, if a Fund's common shares trade at an average daily discount to net asset value per share (NAV) of greater than 10% during a 12-week measurement period, the Fund would conduct a tender offer for between 5% and 20% of its outstanding common shares at a price equal to 98% of its NAV determined on the day the tender offer expires. As part of the program, and to offset expenses associated with the tender offers, Neuberger Berman Management LLC agreed to voluntarily extend the management fee waivers then in place for each Fund for one year.

During the reporting period, the third of each Fund's 12-week measurement periods concluded. For the 12-week period ended November 10, 2010, each of the Funds traded at an average daily discount to NAV of less than 10% and, accordingly, was not required to conduct tender offers.

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

Sincerely,

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

Neuberger Berman Intermediate Municipal Closed-End Funds Portfolio Commentaries

For the six months ended April 30, 2010, on a net asset value (NAV) basis, all three of the Neuberger Berman Intermediate Municipal Closed-End Funds posted negative returns and underperformed the Barclays Capital 10-Year Municipal Bond Index.

After a very difficult first half of the reporting period, the municipal market stabilized and then rallied over the second half of the period. All told, the Funds' index was down slightly over the six-month reporting period. Looking back, a number of issues dragged down the municipal market beginning in November 2010. These included the rising interest rate environment, concerns regarding sharply higher municipal defaults and a large increase in issuance of Build America Bonds at the end of the year. Collectively, this led to substantial redemptions from mutual fund shareholders and falling municipal bond prices. The municipal market then started to rebound in February 2011, as an anticipated rise in defaults did not materialize, new issuance sharply declined, tax receipts continued to improve and many municipalities made progress in getting their financial houses in order. In addition, demand from non-traditional investors, including institutions and hedge funds, increased as they found the asset class to be attractively valued.

The Funds' underperformance versus their benchmark was partially due to their yield curve positioning. Throughout the period, we utilized a barbell approach (investing in shorter and longer maturities). In contrast, the benchmark is concentrated in the eight- to 12-year portion of the curve, which was among the best-performing portions of the municipal yield curve.

Also negatively impacting performance was the overall lower credit quality of the Funds' holdings versus that of the benchmark. During the reporting period, higher quality bonds produced relatively stronger results than lower quality securities. To illustrate, the Barclays Capital AAA Municipal Bond Index returned -0.11% and the Barclays Capital BAA Municipal Bond Index returned -5.63% during the six months ended April 30, 2011. Finally, the use of leverage was not rewarded during the period, as it served to amplify the weak returns in the overall municipal market.

From a sector perspective, the Funds' lack of exposure to the tobacco sector (municipal bonds secured by tobacco settlement payments) contributed positively to their relative performance. The sector generated weak results as it was downgraded to below investment grade status in November 2010. This downgrade resulted in forced selling of tobacco bonds into a highly illiquid market by mutual funds that can only own investment grade securities.

Looking ahead, economic data for the first quarter of calendar year 2011 were consistent with our expectation for a continued economic expansion in the U.S. in calendar year 2011. We believe, however, that growth in the economy could slow if oil prices remain at elevated levels. Other headwinds facing the economy are the still-high unemployment rate, the potential for a double-dip in the housing market and declining federal, state and local spending. We also feel that the tax-exempt bond market could be impacted by congressional actions on issues related to stimulus and deficits. In our view, these factors, in addition to overall volatility in the global markets, deserve close monitoring. We continue to closely analyze the various influences on the municipal market and will adjust our outlook as needed.

In our view, many of the factors that contributed to the solid performance of tax-exempt bonds in recent months may play a role for the balance of the year. These include continued strong demand for reliable and liquid income-generating investments and the likelihood of higher marginal federal tax rates at some point down the road. Lastly, we believe that municipal bonds provide attractive relative values when compared to Treasuries and other high-quality fixed income sectors on a taxable-equivalent yield basis.

California Intermediate Municipal Fund Inc.

Neuberger Berman California Intermediate Municipal Fund generated a -1.63% return on an NAV basis for the six months ended April 30, 2011 and underperformed its benchmark, the Barclays Capital 10-Year Municipal Bond Index, which provided a -0.41% return for the period.

As of April 30, 2011, the Fund was comprised of 75.9% revenue bonds, 18.9% general obligation bonds, 5.1% pre-refunded/escrow bonds, and 0.1% cash and cash equivalents. Bonds subject to the Alternative Minimum Tax (AMT) equaled 8.9% of assets. At the close of the reporting period, the Fund's duration was 4.8 years and its leverage position was 42.4% of assets.

Intermediate Municipal Fund Inc.

Neuberger Berman Intermediate Municipal Fund generated a -1.71% return on an NAV basis for the six months ended April 30, 2011 and underperformed its benchmark, the Barclays Capital 10-Year Municipal Bond Index, which provided a -0.41% return for the period.

As of April 30, 2011, the Fund was comprised of 75.2% revenue bonds, 11.8% general obligation bonds, 12.0% pre-refunded/escrow bonds, and 1.0% cash and cash equivalents. Bonds subject to the AMT equaled 10.0% of assets. At the close of the reporting period, the Fund's duration was 5.3 years and its leverage position was 40.3% of assets.

New York Intermediate Municipal Fund Inc.

Neuberger Berman New York Intermediate Municipal Fund generated a -1.37% return on an NAV basis for the six months ended April 30, 2011 and underperformed its benchmark, the Barclays Capital 10-Year Municipal Bond Index, which provided a -0.41% return for the period.

As of April 30, 2011, the Fund was comprised of 78.9% revenue bonds, 8.8% general obligation bonds, 8.9% pre-refunded/escrow bonds, and 3.4% cash and cash equivalents. Bonds subject to the AMT equaled 10.2% of assets. At the close of the reporting period, the Fund's duration was 4.5 years and its leverage position was 40.2% of assets.

Sincerely,

Blake Miller and James L. Iselin
Portfolio Co-Managers

California Intermediate Municipal Fund Inc. NBW

Intermediate Municipal Fund Inc. NBH

New York Intermediate Municipal Fund Inc. NBO

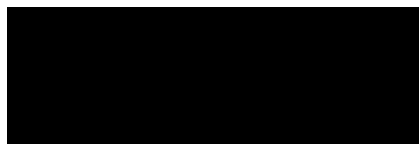
PERFORMANCE HIGHLIGHTS

NAV1,3,4,5	Inception Date	Six	Average Annual Total		Life of Fund
		Month Period Ended	Return Ended 04/30/2011	1 Year	
California Intermediate Municipal Fund Inc.	09/24/2002	-1.63 %	4.26 %	5.48 %	5.66 %
Intermediate Municipal Fund Inc.	09/24/2002	-1.71 %	4.31 %	5.11 %	5.53 %
New York Intermediate Municipal Fund Inc.	09/24/2002	-1.37 %	4.10 %	5.33 %	5.45 %

Market Price2,3,4,5	Inception Date	Six	Average Annual Total		Life of Fund
		Month Period Ended	Return Ended 04/30/2011	1 Year	
California Intermediate Municipal Fund Inc.	09/24/2002	-2.98 %	3.86 %	5.64 %	4.37 %
Intermediate Municipal Fund Inc.	09/24/2002	0.20 %	8.17 %	7.31 %	5.09 %
New York Intermediate Municipal Fund Inc.	09/24/2002	-7.74 %	-2.58 %	4.63 %	4.16 %

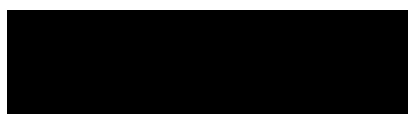
Closed-end funds, unlike open-end funds, are not continually offered. There is an initial public offering and, once issued, common shares of closed-end funds are sold in the open market through a stock exchange.

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



(as a % of Total Investments)

Arizona	0.5	%
California	84.4	
Guam	2.0	
Illinois	0.9	
Massachusetts	0.7	
Nevada	0.8	
New York	1.1	
Pennsylvania	1.9	
Puerto Rico	6.6	
Texas	1.1	
Total	100.0	%



(as a % of Total Investments)

Alabama	1.0	%
Arizona	5.1	
California	12.5	
Colorado	2.2	
District of Columbia	0.3	
Florida		