

NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC

Form N-CSR

January 07, 2011

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

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number: 811-21169

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

Arthur C. Delibert, Esq.

K&L Gates LLP

1601 K Street, N.W.

Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31, 2010

Date of reporting period: October 31, 2010

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

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

Edgar Filing: NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC - Form N-CSR

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.

Annual Report

October 31, 2010

Contents

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

The "Neuberger Berman" name and logo are registered service marks of Neuberger Berman Group LLC. "Neuberger Berman Management LLC" and the individual Fund names in this piece are either service marks or registered service marks of Neuberger Berman Management LLC. ©2010 Neuberger Berman Management LLC. All rights reserved.

President's Letter

Dear Shareholder,

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

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

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

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

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

Sincerely,

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

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

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

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

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

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

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

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

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

California Intermediate Municipal Fund Inc.

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

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

Intermediate Municipal Fund Inc.

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

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

New York Intermediate Municipal Fund Inc.

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

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

Sincerely,

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

TICKER SYMBOLS

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

PERFORMANCE HIGHLIGHTS

Neuberger Berman

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

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

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

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

(as a % of Total Investments)

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

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

(as a % of Total Investments)

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

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

(as a % of Total Investments)

Alabama	1.0%
Arizona	5.1
California	12.4
Colorado	3.3
District of Columbia	0.3
Florida	0.5
Georgia	1.8
Guam	0.6
Illinois	8.3
Indiana	8.2
Iowa	3.0
Kentucky	0.1
Maryland	0.2
Massachusetts	4.6
Michigan	2.4
Minnesota	2.1
Mississippi	1.0