

NEUBERGER BERMAN NEW YORK INTERMEDIATE MUNICIPAL FUND INC  
Form N-CSRS  
July 07, 2008

As filed with the Securities and Exchange Commission on July 7, 2008

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 Inc.

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

Peter E. Sundman, Chief Executive Officer

c/o Neuberger Berman Management Inc.

Neuberger Berman New York Intermediate Municipal Fund Inc.

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New York, New York 10158-0180

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1601 K Street, N.W.

Washington, D.C. 20006-1600

(Names and Addresses of agents for service)

Date of fiscal year end: October 31, 2008

Date of reporting period: April 30, 2008

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 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 Shareholders**

## Neuberger Berman

### Intermediate Municipal Closed-End Funds

Neuberger Berman California Intermediate Municipal Fund Inc. (Ticker Symbol: NBW)

Neuberger Berman Intermediate Municipal Fund Inc. (Ticker Symbol: NBH)

Neuberger Berman New York Intermediate Municipal Fund Inc. (Ticker Symbol: NBO)

Semi-Annual Report

April 30, 2008

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Chairman's Letter

Dear Shareholder,

I am pleased to present to you this semi-annual report for the Neuberger Berman Intermediate Municipal Closed-End Funds for the six months ended April 30, 2008. The report includes portfolio commentary, listings of the Funds' investments, and their 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 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.

Since February 2008, the market for auction rate preferred securities has experienced significant disruption that has resulted in failed auctions for many of these securities, including the auction market preferred shares issued by the Funds. While at this time we cannot predict whether, how or when complete or partial liquidity will return, we continue to work toward finding a solution while keeping in mind the interests of both the common and preferred shareholders of the Funds.

Thank you for your confidence in Neuberger Berman. We will continue to do our best to earn it.

Sincerely,

Peter Sundman  
Chairman of the Board  
Neuberger Berman California Intermediate Municipal Fund Inc.  
Neuberger Berman Intermediate Municipal Fund Inc.  
Neuberger Berman New York Intermediate Municipal Fund Inc.

## Intermediate Municipal Closed-End Funds Portfolio Commentaries

For the six months ended April 30, 2008, on a net asset value (NAV) basis, all three of the Neuberger Berman Intermediate Municipal Closed End Funds posted positive returns, outperforming the Lipper Closed-End Intermediate Municipal Debt Funds Average but trailing the Lehman Brothers 10-Year Municipal Bond Index.

Over the first two months of the period, the fixed income markets showed some signs of stabilizing as the credit crunch triggered by the subprime mortgage crisis appeared to be easing. However, in January, credit market conditions began to deteriorate rapidly as major U.S. financial institutions continued to announce huge write-downs of fixed income assets and France's Société Générale reported a substantial loss. At this juncture, many segments of the fixed income markets, including the municipal securities auction market, seized up. The Fed responded with a 75-basis-point (0.75%) inter-meeting rate cut followed by another 50-basis-point cut a week later at its regularly scheduled January meeting. In addition, it took steps to inject liquidity by creating term auction facilities for banks. However, before these Fed actions could have much impact, in March, Bear Stearns, the U.S.'s fifth largest investment bank, appeared close to failure, prompting panic selling in the corporate bond and equities markets. Once again, the Fed moved aggressively, backing the JPMorgan Chase acquisition of Bear Stearns, cutting interest rates by an additional 75 basis points, and opening its discount window (lending facilities) to primary fixed income dealers. By April, the last month of this semi-annual reporting period, frozen credit markets started to thaw, but fixed income investors remained wary.

In the midst of this kind of market disruption, investment grade municipal securities conceivably could have benefited from investors' "flight to quality." However, several factors created a cloud over the municipal market: paralysis in the municipal securities auction market, credit downgrades and/or credit watches for a number of AAA-rated municipal bond insurers, and the mass liquidation of municipal securities by hedge funds seeking to meet margin calls.

We believe that a decline in the amount of issues enhanced with AAA insurance will create additional opportunities to add yield and illustrate the benefit of our research-intensive approach. We also think the worst of the hedge fund selling is over. The silver lining to this cloud is that the yields on high grade municipal securities now approximate the yields on comparable maturity U.S. Treasuries, creating an even greater yield advantage for investors in high federal and state income tax brackets.

Under more normal circumstances, we would have responded to Fed rate cuts by extending the weighted average maturity and duration of the Funds' portfolios. Recently, we have been selectively adding some longer maturity securities to the Funds' portfolios. However, we are reluctant to move too far out on the yield curve, because inflation remains a problem that we believe Fed Chairman Bernanke will eventually have to confront. This will not likely happen until the economy has weathered the current storm, but when GDP growth increases to the 2%–3% range, we believe the Fed will reverse course and begin tightening.

Our primary response to the challenges in the municipal securities market has been to remain diligent in analyzing the credit quality of portfolio holdings. We have been weeding out revenue bonds of more economically sensitive issuers and gravitating to securities with high levels of debt service coverage and strong legal covenants securing revenue streams.

Looking ahead, although we can't be sure that more "shoes won't drop," leading financial companies have bolstered their balance sheets and we suspect that write-downs will trend lower over the next several quarters. A healthier financial sector along with low interest rates and a Fed that has come up with some creative solutions to free up credit should combine to help stabilize the fixed income markets. In addition, municipal securities' historically high after-tax yield advantage over U.S. Treasuries should, in our view, create a more favorable response from fixed income investors.

### California Intermediate Municipal Fund Inc.

For the six months ended April 30, 2008, on an NAV basis, the California Intermediate Municipal Fund posted a positive return, but lagged the Lehman 10-Year Municipal Bond Index.

### CALIFORNIA INTERMEDIATE MUNICIPAL FUND RATING SUMMARY

|     |       |
|-----|-------|
| AAA | 39.7% |
| AA  | 14.5  |
| A   | 21.1  |
| BBB | 17.0  |

|            |     |
|------------|-----|
| BB         | 1.3 |
| B          | 0.0 |
| CCC        | 0.0 |
| Not Rated  | 5.5 |
| Short Term | 0.9 |

As of April 30, 2008, the portfolio included 87.5% revenue bonds, 11.2% general obligation bonds, and 1.3% 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 4.6 years and its leverage position was 37.8% of assets.

**Intermediate Municipal Fund Inc.**

For the six months ended April 30, 2008, on an NAV basis, the Intermediate Municipal Fund generated a positive return, but trailed the Lehman 10-Year Municipal Bond Index.

As of April 30, 2008, the portfolio included 77.9% revenue bonds, 16.4% general obligation bonds, 3.9% pre-refunded/escrowed bonds, and 1.8% cash and cash equivalents. Bonds subject to the Alternative Minimum Tax (AMT) equaled 11.7% of assets. At the close of the reporting period, the Fund's duration was 4.5 years and its leverage position was 37.7% of assets.

**INTERMEDIATE MUNICIPAL FUND  
RATING SUMMARY**

|            |       |
|------------|-------|
| AAA        | 42.1% |
| AA         | 13.5  |
| A          | 16.5  |
| BBB        | 17.1  |
| BB         | 2.8   |
| B          | 0.0   |
| CCC        | 0.9   |
| Not Rated  | 7.1   |
| Short Term | 0.0   |

**New York Intermediate Municipal Fund Inc.**

For the six months ended April 30, 2008, on an NAV basis, the New York Intermediate Municipal Fund delivered a positive return, but failed to match the return of the Lehman 10-Year Municipal Bond Index.

As of April 30, 2008, the portfolio included 92.8% revenue bonds, 3.7% general obligation bonds, and 3.5% pre-refunded/escrowed bonds. Bonds subject to the Alternative Minimum Tax (AMT) equaled 19.6% of assets. At the close of the reporting period, the Fund's duration was 4.4 years and its leverage position was 37.9% of assets.

**NEW YORK INTERMEDIATE  
MUNICIPAL FUND  
RATING SUMMARY**

|            |       |
|------------|-------|
| AAA        | 28.1% |
| AA         | 25.7  |
| A          | 12.1  |
| BBB        | 16.6  |
| BB         | 11.8  |
| B          | 0.0   |
| CCC        | 0.0   |
| Not Rated  | 4.7   |
| Short Term | 1.0   |

Sincerely,



James L. Iselin  
Portfolio Manager

**PERFORMANCE HIGHLIGHTS**

Neuberger Berman

| <b>NAV<sup>1,3,4,5</sup></b>              | <b>Inception Date</b> | <b>Total Return<br/>Six Month<br/>Period Ended<br/>4/30/2008</b> | <b>Total Return<br/>1 Year<br/>Ended<br/>4/30/2008</b> | <b>5 Year</b> | <b>Average Annual<br/>Total Return<br/>Since Inception</b> |
|---|-----------------------|--|--|---------------|--|
| California Intermediate<br>Municipal Fund | 09/24/2002            | 0.26%  | 1.42%  | 4.94%         | 5.25%  |
| Intermediate Municipal Fund               | 09/24/2002            | 0.74%  | 1.95%  | 5.13%         | 5.47%  |
| New York Intermediate<br>Municipal Fund   | 09/24/2002            | 1.29%  | 2.35%  | 5.11%         | 5.26%  |
| <b>Market Price<sup>2,3,4,5</sup></b>     | <b>Inception Date</b> | <b>Total Return<br/>Six Month<br/>Period Ended<br/>4/30/2008</b> | <b>Total Return<br/>1 Year<br/>Ended<br/>4/30/2008</b> | <b>5 Year</b> | <b>Average Annual<br/>Total Return<br/>Since Inception</b> |
| California Intermediate<br>Municipal Fund | 09/24/2002            | 3.14%  | (5.44%)  | 4.69%         | 2.88%  |
| Intermediate Municipal Fund               | 09/24/2002            | 4.26%  | (1.11%)  | 3.99%         | 2.96%  |
| New York Intermediate<br>Municipal Fund   | 09/24/2002            | 0.85%  | (4.94%)  | 3.57%         | 2.50%  |

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 Fund are subject to change. Investment return will fluctuate. Past performance is not guarantee of future results.

## Endnotes

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

Glossary of Indices

|   |  |
|---|--|
| <b>Lehman Brothers 10-Year Municipal Bond Index:</b>                | The Lehman Brothers 10-Year Municipal Bond Index is the 10-year (8-12) component of the Lehman Brothers Municipal Bond Index, which is a rules-based, market-value-weighted index engineered for the long-term tax-exempt bond market. To be included in the index, bonds must have a minimum credit rating of Baa. They must have an outstanding par value of at least \$5 million and be issued as part of a transaction of at least \$50 million. The bonds must have a dated-date after December 31, 1990 and must be at least one year from their maturity date. Remarketed issues, taxable municipal bonds, bonds with floating rates, and derivatives, are excluded from the benchmark. |
| <b>Lipper Closed-End Intermediate Municipal Debt Funds Average:</b> | The average of all closed-end mutual funds tracked by Lipper that invest in municipal debt issues with dollar-weighted average maturities of five to ten years.  |

Please note that the indices do not take into account any fees and expenses or any tax consequences of investing in the individual securities that they track and that investors cannot invest directly in any index. Data about the performance of each index are prepared or obtained by Neuberger Berman Management Inc. and include reinvestment of all dividends and capital gain distributions. Each Fund may invest in securities not included in its respective indices.

## Schedule of Investments California Intermediate Municipal Fund Inc.

(Unaudited)

| PRINCIPAL AMOUNT           | SECURITY <sup>@</sup>  | VALUE <sup>†</sup> |
|----------------------------|--|--------------------|
| (000's omitted)            |  | (000's omitted)    |
| <b>Arizona (0.8%)</b>      |  |                    |
| \$ 750                     | Verrado Comm. Fac. Dist. Number 1 G.O., Ser. 2003, 6.15%, due 7/15/17  | \$ 764             |
| <b>California (140.0%)</b> |  |                    |
| 270                        | Abag Fin. Au. Cert. of Participation Rev. (Channing House), Ser. 1999, 4.90%, due 2/15/09  | 271 <sup>B</sup>   |
| 3,050                      | Abag Fin. Au. Cert. of Participation Rev. (Episcopal Homes Foundation), Ser. 1998, 5.13%, due 7/1/18                               | 3,003 <sup>B</sup> |
| 1,000                      | Abag Fin. Au. Rev. (San Diego Hosp. Assoc.), Ser. 2003 C, 5.13%, due 3/1/18  | 1,002 <sup>B</sup> |
| 1,250                      | Alameda Co. Cert. of Participation Ref. Rev., Ser. 2001 A, (MBIA Insured), 5.38%, due 12/1/17                                      | 1,326              |
| 1,285                      | Bay Area Governments Assoc. BART SFO Extension Rev. (Arpt. Premium Fare), Ser. 2002 A, (AMBAC Insured), 5.00%, due 8/1/21          | 1,313              |
| 1,000                      | Burbank Pub. Svc. Dept. Elec. Rev., Ser. 1998, (FSA Insured), 5.13%, due 6/1/16  | 1,011              |
| 450                        | California Co. Tobacco Securitization Agcy. Tobacco Settlement Asset-Backed Rev., Ser. 2002, 4.75%, due 6/1/19                     | 449                |
| 1,750                      | California Ed. Fac. Au. Ref. Rev. (Stanford Univ.), Ser. 2001 R, 5.00%, due 11/1/21  | 1,806 <sup>B</sup> |
| 2,000                      | California HFA Home Mtge. Rev., Ser. 2006 E, (FGIC Insured), 4.88%, due 2/1/17   | 1,973              |
| 2,000                      | California Hlth. Fac. Fin. Au. Rev. (Catholic Healthcare West), Ser. 2004 I, 4.95%, due 7/1/26 Putable 7/1/14                      | 2,086 <sup>B</sup> |
| 2,000                      | California Hlth. Fac. Fin. Au. Rev. (Cedars-Sinai Med. Ctr.), Ser. 2005, 5.00%, due 11/15/21                                       | 2,033 <sup>B</sup> |
| 1,000                      | California Hlth. Fac. Fin. Au. Rev. (Kaiser Permanente), Ser. 1998 B, 5.00%, due 10/1/20   | 1,021 <sup>B</sup> |
| 500                        | California Muni. Fin. Au. Ed. Rev. (American Heritage Ed. Foundation Proj.), Ser. 2006 A, 5.00%, due 6/1/16                        | 485 <sup>B</sup>   |
| 1,040                      | California Muni. Fin. Au. Rev. (Loma Linda Univ.), Ser. 2007, 5.00%, due 4/1/21  | 1,056              |
| 4,000                      | California Poll. Ctrl. Fin. Au. Ref. PCR (Pacific Gas & Elec. Co.), Ser. 1996 A, (MBIA Insured), 5.35%, due 12/1/16                | 4,111 <sup>B</sup> |
| 1,500                      | California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Republic Svc., Inc. Proj.), Ser. 2002 B, 5.25%, due 6/1/23 Putable 12/1/17 | 1,384 <sup>B</sup> |
| 3,000                      | California Poll. Ctrl. Fin. Au. Solid Waste Disp. Rev. (Waste Management, Inc. Proj.), Ser. 2005 C, 5.13%, due 11/1/23             | 2,604 <sup>B</sup> |
| 1,400                      | California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 B4, (LOC: Bayerische Landesbank), 2.45%, due 5/1/08                  | 1,400 <sup>u</sup> |
| 4,500                      | California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.75%, due 5/1/17 Pre-Refunded 5/1/12                             | 5,025              |
| 1,000                      | California St. Dept. of Wtr. Res. Pwr. Supply Rev., Ser. 2002 A, 5.38%, due 5/1/22 Pre-Refunded 5/1/12                             | 1,103              |
| 1,470                      | California St. Dept. of Wtr. Rev. (Ctrl. Valley Proj.), Ser. 2008 AE, 5.00%, due 12/1/20   | 1,591              |
| 2,250                      | California St. G.O., Ser. 2002, 5.00%, due 10/1/17   | 2,344              |

|       |   |                    |
|-------|---|--------------------|
| 1,000 | California St. Pub. Works Board Lease (Dept. of Gen. Svc.) Rev. (Cap. East End Complex), Ser. 2002 A, (AMBAC Insured), 5.25%, due 12/1/16               | 1,071              |
| 1,095 | California St. Pub. Works Board Lease Rev. (California Comm. Colleges), Ser. 2004 B, 5.50%, due 6/1/20  | 1,166              |
| 3,000 | California St. Pub. Works Board Lease Rev. (Regents of the Univ. of California, UCLA Replacement Hosp.), Ser. 2002 A, (FSA Insured), 5.38%, due 10/1/13 | 3,272              |
| 1,000 | California St. Univ. Fresno Assoc., Inc. Rev. (Auxiliary Organization Event Ctr.), Ser. 2002, 5.00%, due 7/1/12   | 1,079              |
| 2,000 | California Statewide CDA Cert. of Participation Rev. (Children's Hosp. Los Angeles), Ser. 1999, 5.13%, due 8/15/19                                      | 1,957 <sup>B</sup> |
| 1,630 | California Statewide CDA Cert. of Participation Rev. (The Internext Group), Ser. 1999, 5.38%, due 4/1/17  | 1,635 <sup>B</sup> |
| 1,000 | California Statewide CDA Hlth. Fac. Rev. (Adventist Hlth.), Ser. 2005 A, 5.00%, due 3/1/20  | 1,002 <sup>B</sup> |
| 5,000 | California Statewide CDA Hlth. Fac. Rev. (Mem. Hlth. Svcs.), Ser. 2003 A, 6.00%, due 10/1/16  | 5,363 <sup>B</sup> |
| 1,500 | California Statewide CDA Rev. (California Baptist Univ.), Ser. 2007 A, 5.30%, due 11/1/18   | 1,483 <sup>B</sup> |
| 1,000 | California Statewide CDA Rev. (Daughters of Charity Hlth.), Ser. 2005 G, 5.00%, due 7/1/22  | 931 <sup>B</sup>   |
| 500   | California Statewide CDA Rev. (Valley Care Hlth. Sys.), Ser. 2007 A, 4.80%, due 7/15/17   | 467 <sup>B</sup>   |
| 1,020 | Cerritos Pub. Fin. Au. Sub. Tax Allocation Rev. (Cerritos Redev. Proj.), Ser. 2002 B, 4.40%, due 11/1/16  | 1,016              |
| 2,550 | Contra Costa Comm. College Dist. G.O., Ser. 2002, (FGIC Insured), 5.25%, due 8/1/17   | 2,707              |
| 1,365 | Daly City Hsg. Dev. Fin. Agcy. Rev. Ref. (Franciscan Mobile Home Park), Ser. 2007 A, 5.00%, due 12/15/21  | 1,374 <sup>B</sup> |

See Notes to Schedule of Investments

| PRINCIPAL AMOUNT |       | SECURITY <sup>®</sup>  | VALUE <sup>†</sup> |
|------------------|-------|--|--------------------|
| (000's omitted)  |       |  | (000's omitted)    |
| \$               | 820   | Folsom Pub. Fin. Au. Spec. Tax Rev., Ser. 2007 B, 4.40%, due 9/1/12                        | \$ 805             |
|                  | 250   | Folsom Pub. Fin. Au. Spec. Tax Rev., Ser. 2007 B, 4.40%, due 9/1/13                        | 243                |
|                  | 2,000 | Fresno Joint Pwr. Fin. Au. Lease Rev. (Master Lease Proj.), Ser. 2008 A, 5.00%, due 4/1/23 | 2,076              |