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NUVEEN PREMIUM INCOME MUNICIPAL FUND INC
Form N-CSR
January 08, 2010

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 811-05570

Nuveen Premium Income Municipal Fund, Inc.

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: October 31

Date of reporting period: October 31, 2009

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, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

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ITEM 1. REPORTS TO STOCKHOLDERS.

LOGO: NUVEEN INVESTMENTS

Closed-End Funds

Nuveen Investments
Municipal Closed-End Funds

IT'S NOT WHAT YOU EARN, IT'S WHAT YOU KEEP. (R)

Annual Report
October 31, 2009

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND, INC.
NPI

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND 2, INC.
NPM

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND 4, INC.
NPT

(OCTOBER 09)

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Chairman's
Letter to Shareholders

[PHOTO OF ROBERT P. BREMNER]

DEAR SHAREHOLDER,

The financial markets in which your Fund operates continue to reflect the larger

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economic crosscurrents. The illiquidity that infected global credit markets over the last year continues to recede but there is concern about the impact of a reduction in official liquidity support programs. The major institutions that are the linchpin of the international financial system have strengthened their capital structures, but many still struggle with losses in their various portfolios. Global trends include increasing trade and concern about the ability of the U.S. government to address its substantial budgetary deficits.

While the fixed-income and equity markets have recovered from the lows recorded in the first quarter of 2009, identifying those developments that will define the future is never easy, and rarely is it more difficult than at present. A fundamental component of a successful investment program is a commitment to remain focused on long-term investment goals even during periods of heightened market uncertainty. Another component is to re-evaluate investment disciplines and tactics and to confirm their validity following periods of extreme volatility and market dislocation, such as we have recently experienced. Your Board carried out an intensive review of investment performance with these objectives in mind during April and May of 2009 as part of the annual management contract renewal process. I encourage you to read the description of this process in the Annual Investment Management Agreement Approval Process section of this report. Confirming the appropriateness of a long term investment strategy is as important for our shareholders as it is for our professional investment managers. For that reason, I again encourage you to remain in communication with your financial consultant on this subject.

In September 2009, Nuveen completed the refinancing at par of all the auction rate preferred shares issued by its taxable closed-end funds. On October 15, Nuveen announced the first successful offering of an issue of MuniFund Term Preferred Shares. This new form of preferred securities joins the Variable Rate Demand Preferred securities as vehicles for refinancing existing municipal fund auction rate preferred shares (ARPS). By the beginning of December 2009, six of the leveraged municipal closed-end funds had redeemed all of their outstanding ARPS. Nuveen remains committed to resolving the issues connected with outstanding auction rate preferred shares. Please consult the Nuveen web site for the most recent information on this issue and all recent developments on your Nuveen Funds at: www.nuveen.com.

On behalf of the other members of your Fund's Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/S/ Robert P. Bremner

Robert P. Bremner
Chairman of the Board
December 21, 2009

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FUND MERGER AND MANAGEMENT CONSOLIDATION

Effective October 16, 2009, four Nuveen Florida closed-end Funds were reorganized into three existing Nuveen national closed-end municipal bond Funds (collectively, the "Reorganizations"). Each Reorganization was approved by the shareholders of the respective Nuveen Florida and national Funds.

The closed-end Fund within this shareholder report (NPM) has been reorganized as follows:

Nuveen Florida Investment Quality Municipal Fund (NQF) and

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Nuveen Florida Quality Income Municipal Fund (NUF) into Nuveen Premium Income Municipal Fund 2, Inc. (NPM)

Prior to the Reorganization, each Fund provided current income exempt from regular federal income tax. The Florida Funds invested primarily in a portfolio of municipal obligations issued by state and local government authorities within the state of Florida or certain U.S. territories. NPM invests primarily in a portfolio of municipal obligations issued by state and local government authorities or certain U.S. territories. As the surviving Fund, the investment objectives and strategies of NPM remain unchanged and the reorganized Fund will pursue NPM's investment objectives and strategies

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PORTFOLIO MANAGERS' COMMENTS

NUVEEN PREMIUM INCOME MUNICIPAL FUND, INC. (NPI)
NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (NPM)
NUVEEN PREMIUM INCOME MUNICIPAL FUND 4, INC. (NPT)

Portfolio managers Paul Brennan and John Wilhelm discuss U.S. economic and municipal market conditions, key investment strategies and the twelve-month performance of these three national Funds. With 20 years of investment experience, including twelve years at Nuveen, Paul has managed NPI and NPM since 2006. John, who came to Nuveen in 2001 with 20 years of industry experience, assumed portfolio management responsibility for NPT in March 2009.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE TWELVE-MONTH REPORTING PERIOD ENDED OCTOBER 31, 2009?

During this reporting period, municipal bond prices generally rose as strong cash flows into municipal bond funds combined with a tighter supply of new tax-exempt issuance to provide favorable supply and demand conditions. As the period began, there continued to be considerable downward pressure on the economy. In an effort to improve conditions, the Federal Reserve (Fed), lowered the fed funds rate to a target range of zero to 0.25% in December 2008, the lowest level on record. In February 2009, the federal government augmented its efforts to boost the economy by passing a \$787 billion stimulus package, which joined the \$700 billion financial industry rescue package it had passed in late 2008. In March 2009, the Fed announced that, in addition to maintaining the current rate, it would buy \$300 billion in long-term Treasury securities in an effort to support private credit markets and up to an additional \$750 billion in agency mortgage-backed securities to bolster the credit and housing markets.

In recent months, the measures taken by the Fed and others to ease the economic recession have produced some incipient signs of improvement. In the third quarter of 2009, the U.S. economy, as measured by the U.S. gross domestic product (GDP), posted positive growth (2.8% annualized) for the first time since the second quarter of 2008. Housing prices also provided a bright spot between June and September 2009 by recording four consecutive months of positive returns, the first following three years of decline. At the same time, inflation remained muted, as the Consumer Price Index (CPI), reflecting a 14% drop in energy prices, fell 0.2% year-over-year as of October 2009. This marked the seventh straight month that consumer prices dropped from their levels of a year earlier, the longest such decline since 1954-1955. The core CPI (which excludes

CERTAIN STATEMENTS IN THIS REPORT ARE FORWARD-LOOKING STATEMENTS. DISCUSSIONS OF SPECIFIC INVESTMENTS ARE FOR ILLUSTRATION ONLY AND ARE NOT INTENDED AS RECOMMENDATIONS OF INDIVIDUAL INVESTMENTS. THE FORWARD-LOOKING STATEMENTS AND OTHER VIEWS EXPRESSED HEREIN ARE THOSE OF THE PORTFOLIO MANAGERS AS OF THE DATE OF THIS REPORT. ACTUAL FUTURE RESULTS OR OCCURRENCES MAY DIFFER SIGNIFICANTLY

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FROM THOSE ANTICIPATED IN ANY FORWARD-LOOKING STATEMENTS, AND THE VIEWS EXPRESSED HEREIN ARE SUBJECT TO CHANGE AT ANY TIME, DUE TO NUMEROUS MARKET AND OTHER FACTORS. THE FUNDS DISCLAIM ANY OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENTS OR VIEWS EXPRESSED HEREIN.

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food and energy) rose 1.7% over this twelve-month period, within the Fed's unofficial objective of 2.0% or lower for this measure. However, the economy continued to be stressed by weakness in the labor markets. October 2009 marked the 22nd consecutive month of net job losses, with a total of 7.3 million jobs lost since the recession began in December 2007. This is the biggest decline since the Great Depression. The national unemployment rate for October 2009 was 10.2%, a 26-year high, up from 6.6% in October 2008.

Municipal market conditions began to show general signs of improvement in mid-December 2008 and municipal bonds continued to improve throughout most of 2009. This trend was bolstered by the reduced supply of tax-exempt municipal debt in the marketplace, due in part to the introduction of the Build America Bond program in April 2009. Build America Bonds are a new class of taxable municipal debt created as part of the February 2009 economic stimulus package. These bonds offer municipal issuers a federal subsidy equal to 35% of the security's interest payments, and therefore provide issuers with an attractive alternative to traditional tax-exempt debt. As of October 31, 2009, taxable Build America Bonds issuance totaled \$48.5 billion, accounting for almost 20% of new bonds issued in the municipal market during the period tax-exempt since their introduction.

Over the twelve months ended October 31, 2009, municipal bond issuance nationwide totaled \$404.5 billion, a drop of approximately 10% compared with the twelve-month period ended October 31, 2008. As mentioned earlier, demand for tax-exempt bonds was strong, especially on the part of individual investors and broker/dealers. The combination of lower tax-exempt supply and increased demand provided support for municipal bond prices.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS?

During the majority of this twelve-month period, the tax-exempt municipal bond market was characterized by strong demand, constrained supply and generally improving valuations.

In this environment, our trading activity continued to focus on finding relative value by taking a bottom-up approach to discover undervalued sectors and individual credits with the potential to perform well over the long term. In NPI and NPM, we generally purchased bonds with longer maturities in two categories: essential services and health care. In essential services, our purchase included bonds that financed water and sewer projects, utilities, schools and roads. We also bought bonds in the health care sector, most of which were rated AA or A. While the overall issuance of new tax-exempt bonds declined, supply was more plentiful in the health care sector because hospitals generally do not qualify for the Build America Bond program and so must continue to issue bonds

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in the tax-exempt municipal market. Supply in this sector was also boosted by the fact that many hospitals were issuing fixed rate bonds in order to refinance and retire outstanding debt that had initially been issued as variable rate debt.

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In NPT, our focus was on allocating more Fund assets to lower-rated bonds by purchasing credits rated A and BBB and, to a lesser degree, non-rated and sub-investment grade bonds. These bonds, which we purchased in both the primary and secondary markets, tended to have maturities at the longer end of the yield curve. From a sector perspective, we emphasized hospital and industrial development revenue (IDR) bonds, both of which we believed to be significant areas of opportunity.

Cash for new purchases during this period was generated by maturing or called bonds. In addition, we sold bonds with shorter maturities in NPI and NPM, including some pre-refunded holdings. In NPT, we sold holdings that we believed did not have much opportunity for price appreciation, including bonds that were pre-refunded and bonds that were close to their call dates. While there was considerable issuance of Build America Bonds over the last half of this period, these bonds do not represent appropriate investment opportunities for these three Funds because their interest payments are considered taxable income.

All of these Funds continued to use inverse floating rate securities(1) as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancements. During the first part of the period, NPI also invested in additional types of derivative instruments(2) designed to help shorten its duration. These derivatives were removed early in 2009.

ASSETS ACQUIRED IN THE REORGANIZATION

As mentioned on page two, on October 16, 2009, following shareholder approval, the Nuveen Florida Investment Quality Municipal Fund (NQF) and the Nuveen Florida Quality Income Municipal Fund (NUF) were reorganized into NPM. In the Reorganization, NPM acquired substantially all of the assets and liabilities of the these Funds in a tax-free transaction in exchange for an equal aggregate value of newly-issued common shares.

In general the securities acquired through these Reorganizations matched the investment parameters and strategies of NPM and therefore required little immediate portfolio activity. However, the intention overtime is to reduce the Fund's concentration of Florida holdings.

- (1) An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets (SIFM) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.
- (2) Each Fund may invest in derivative instruments such as forwards, futures, options and swap transactions. For additional information on the derivative instruments in which each Fund was invested during and at the end of the reporting period, see the Portfolio of Investments, Financials Statements and Notes to Financial Statements sections of this report.

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HOW DID THE FUNDS PERFORM?

Individual results for these Funds, as well as relevant index and peer group information, are presented in the accompanying table.

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AVERAGE ANNUAL TOTAL RETURNS ON COMMON SHARE NET ASSET VALUE
FOR PERIODS ENDED 10/31/09

	1-YEAR	5-YEAR	10-YEAR
NPI	22.89%	3.38%	6.06%
NPM	28.38%	3.81%	5.89%
NPT	26.11%	3.92%	5.18%

Standard & Poor's (S&P) National Municipal Bond Index(3)	14.15%	4.04%	5.61%

Lipper General Leveraged Municipal Debt Funds Average(4)	26.02%	3.32%	6.02%

For the twelve months ended October 31, 2009, the total returns on common share net asset value (NAV) for all three of these Nuveen Funds exceeded the returns for the Standard & Poor's (S&P) National Municipal Bond Index. NPM and NPT also outperformed the average return for the Lipper General Leveraged Municipal Debt Funds Average, while NPI lagged this measure for the same period.

Key management factors that influenced the Funds' returns during this period included yield curve and duration positioning, credit exposure and sector allocation. In addition, leverage was an important positive factor affecting the Funds' performances over this period. The impact of leverage is discussed in more detail on page eight.

During this period, prices rose and yields declined for many municipal securities, especially those at the long end of the municipal yield curve. As a result, longer-term bonds generally outperformed credits with shorter maturities, with bonds maturing in one to two years posting the weakest returns for the period. In general, these Funds benefited from their exposure to the longer part of the yield curve. As mentioned earlier, our duration strategies in NPI included using derivative positions during the first part of this period to synthetically shorten the duration of this Fund. These derivative positions performed poorly during this period and had a negative impact on NPI's relative total return performance.

While yield curve positioning and duration played important roles in performance, credit exposure was also a significant factor. As noted earlier, demand for municipal bonds increased among both institutional and individual investors during this period. This increase was driven by a variety of factors, including concerns about potential tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk. At the same time, the supply of new tax-exempt municipal securities declined. As investors bid up municipal bond prices, bonds rated BBB or below and non-rated bonds generally outperformed those rated AAA. In this environment, the Funds'

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

For additional information, see the individual Performance Overview for your Fund in this report.

- (3) The Standard & Poor's (S&P) National Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the investment-grade U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

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- (4) The Lipper General Leveraged Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1-year, 54 funds; 5-year 52 funds; and 10-year, 38 funds. Fund and Lipper returns assume reinvestment of dividends. You cannot invest directly in a Lipper Average.

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performances benefited greatly from their allocations of bonds rated BBB or below, and non-rated bonds.

Holdings that generally contributed positively to the Funds' performances included industrial development revenue (IDR), housing and health care bonds. In general, these Funds had relatively heavy weightings in health care and housing. Education, water and sewer, transportation and special tax bonds also outperformed the general municipal market during this period and zero coupon bonds and credits backed by the 1998 master tobacco settlement agreement were strong performers.

Pre-refunded bonds, which are often backed by U.S. Treasury securities and which had been one of the top performing segments of the municipal bond market over the past two years, performed especially poorly during this period. This was due primarily to their shorter effective maturities and higher credit quality. Among these three Funds, NPI held the largest allocation of pre-refunded bonds as of October 31, 2009, while NPM had the smallest allocation. Other market segments that detracted from relative performance included resource recovery, leasing bonds and electric utility bonds. These were the only three revenue sectors that failed to outperform the overall municipal market during this period. Many general obligation bonds also struggled to keep pace with the overall municipal market.

All three Funds were negatively impacted to varying degrees by their holdings of AMBAC-Insured bonds issued for the Las Vegas monorail project, that links various casinos on the Las Vegas strip. The project has struggled to build ridership and turn a profit, and proposals to extend the monorail to McCarran International Airport remained on hold. NPI had the heaviest exposure to these bonds, which are now rated below investment grade, while NPM held the smallest allocation.

IMPACT OF THE FUNDS' CAPITAL STRUCTURES AND LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of these Funds relative to the comparative index was the Funds' use of financial leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total returns for common shareholders. However, use of leverage also can expose common shareholders to additional risk -- especially when market conditions are unfavorable. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when bond prices generally are rising.

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Over the early part of this period, leverage hampered the performance of the Funds using this strategy. However, leverage made a significant positive contribution to those Funds returns over much of 2009, which can be seen in their twelve-month performance shown on page six.

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RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

As noted in the last several shareholder reports, the auction rate preferred shares issued by many closed-end funds, including these Nuveen Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more auction rate preferred shares have been submitted for sale in their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have "failed to clear," and that many, or all, of the auction rate preferred shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in auction rate preferred shares did not lower the credit quality of these shares, and auction rate preferred shareholders unable to sell their shares received distributions at the "maximum rate" applicable to failed auctions, as calculated in accordance with the pre-established terms of the auction rate preferred shares. In the recent market, with short-term rates at multi-generational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund's cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund's common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Funds' Board of Directors authorized a plan to use tender option bonds (TOBs), also known as floating rate securities, to refinance a portion of the Funds' outstanding auction rate preferred shares. The amount of TOBs that a Fund may use varies according to the composition of each Fund's portfolio. Some Funds have a greater ability to use TOBs than others. As of October 31, 2009, some Funds have issued Variable Rate Demand Preferred Shares (VRDP), but these issuances have been limited since it has been difficult to find liquidity facilities on economically viable terms given the constrained credit environment. Some Funds also have issued MuniFund Term Preferred (MTP), a fixed-rate form of Preferred stock with a mandatory redemption period of five years. However, the Funds cannot provide any assurance on when the remaining outstanding auction rate preferred shares might be redeemed.

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As of October 31, 2009, the amount of auction rate preferred securities redeemed by the Funds are as shown in the accompanying table.

FUND	AUCTION RATE PREFERRED SHARES REDEEMED	% OF ORIGINAL AUCTION RATE PREFERRED SHARES
NPI	\$124,350,000	23.7%
NPM	\$108,475,000*	18.2%
NPT	\$ 79,350,000	23.4%

* Includes auction rate preferred shares acquired from Reorganization of Nuveen Investment Quality Municipal Fund (NQF) and Nuveen Florida Quality Income Municipal Fund (NUF).

As of October 31, 2009, 75 out of the 88 Nuveen closed-end municipal funds that had issued auction rate preferred have redeemed, at par, all or a portion of shares. These redemptions bring the total amount of Nuveen's municipal closed-end funds' auction rate preferred share redemptions to approximately \$2.4 billion of the original \$11 billion outstanding.

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For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at:
<http://www.nuveen.com/ResourceCenter/AuctionRatePreferred.aspx>.

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COMMON SHARE DIVIDEND AND SHARE PRICE INFORMATION

During the twelve-month reporting period ended October 31, 2009, NPI, NPM and NPT each had three monthly dividend increases.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of October 31, 2009, all of the Funds in this report had positive UNII balances for both tax and financial statement purposes.

COMMON SHARE REPURCHASES AND SHARE PRICE INFORMATION

As of October 31, 2009, NPM repurchased common shares as shown in the accompanying table. Since the inception of this program, NPI and NPT have not repurchased any of their outstanding common shares.

FUND	COMMON SHARES REPURCHASED	% OF OUTSTANDING COMMON SHARES
NPM	300,000*	0.7%

* Does not include common shares repurchase activity of Nuveen Florida Investment Quality Municipal Fund (NQF) or Nuveen Florida Quality Income Municipal Fund (NUF) prior to Reorganization on October 16, 2009.

During the twelve-month reporting period, NPM's common shares were repurchased at a weighted average price and a weighted average discount per common share as shown in the accompanying table.

FUND	WEIGHTED AVERAGE PRICE PER SHARE REPURCHASED	WEIGHTED AVERAGE DISCOUNT PER SHARE REPURCHASED
NPM	\$11.32	13.90%

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As of October 31, 2009, the Funds' common share prices were trading at (-) discounts to their common share NAVs as shown in the accompanying table.

FUND	10/31/09 (-)DISCOUNT	TWELVE-MONTH AVERAGE (-) DISCOUNT
NPI	-6.92%	-6.72%
NPM	-8.12%	-8.32%

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NPT -7.07% -9.03%

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NPI Performance OVERVIEW | Nuveen Premium Income Municipal Fund, Inc.
as of October 31, 2009

FUND SNAPSHOT

Common Share Price	\$12.77
Common Share Net Asset Value	\$13.72
Premium/(Discount) to NAV	-6.92%
Market Yield	6.58%
Taxable-Equivalent Yield(1)	9.14%
Net Assets Applicable to Common Shares (\$000)	\$875,341
Average Effective Maturity on Securities (Years)	14.50
Leverage-Adjusted Duration	10.87

AVERAGE ANNUAL TOTAL RETURN (Inception 7/18/88)

	ON SHARE PRICE	ON NAV
1-Year	24.61%	22.89%
5-Year	3.56%	3.38%
10-Year	6.73%	6.06%

STATES (as a % of total investments)

California	13.3%
Texas	10.2%
New York	8.4%
Illinois	6.1%
New Jersey	5.6%
Florida	3.7%
Massachusetts	3.6%
South Carolina	3.5%

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Alabama	3.1%
-----	-----
Minnesota	3.0%
-----	-----
Pennsylvania	2.9%
-----	-----
Louisiana	2.9%
-----	-----
Colorado	2.9%
-----	-----
District of Columbia	2.5%
-----	-----
Wisconsin	2.5%
-----	-----
Michigan	2.5%
-----	-----
Nevada	2.4%
-----	-----
Washington	2.2%
-----	-----
Other	18.7%
-----	-----

PORTFOLIO COMPOSITION
(as a % of total investments)

U.S. Guaranteed	23.2%
-----	-----
Health Care	16.4%
-----	-----
Tax Obligation/Limited	15.3%
-----	-----
Tax Obligation/General	11.6%
-----	-----
Transportation	10.0%
-----	-----
Utilities	5.8%
-----	-----
Education and Civic Organizations	4.2%
-----	-----
Other	13.5%
-----	-----

Credit Quality (as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	39%
AA	23%
A	24%
BBB	11%
BB or Lower	1%
N/R	2%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

Nov	\$	0.06
Dec		0.06
Jan		0.06
Feb		0.06

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Mar	0.062
Apr	0.062
May	0.068
Jun	0.068
Jul	0.068
Aug	0.068
Sep	0.07
Oct	0.07

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

11/01/08	\$ 10.99
	11.8
	11.07
	9.75
	10.4
	9.75
	8.97
	10.11
	9.9
	11.02
	11.8
	11.73
	11.79
	12.04
	12.09
	11.65
	10.85
	11.46
	10.93
	11.51
	11.65
	11.73
	11.54
	11.56
	11.98
	12.11
	12.15
	12.27
	12.47
	12.61
	12.43
	12.32
	12.06
	12.22
	12.35
	12.21
	12.42
	12.4
	12.51
	12.33
	12.33
	12.25
	12.62
	12.75
	13.03
	13.31
	13.34
	13.39
	13.44

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	13.42
	12.9
	13
10/31/09	12.77

(1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

12 Nuveen Investments

NPM Performance OVERVIEW | Nuveen Premium Income Municipal Fund 2, Inc.
as of October 31, 2009

Credit Quality (as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	33%
AA	24%
A	28%
BBB	10%
BB or Lower	1%
N/R	4%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

Nov	\$ 0.0575
Dec	0.0575
Jan	0.0575
Feb	0.0575
Mar	0.0635
Apr	0.0635
May	0.069
Jun	0.069
Jul	0.069
Aug	0.069
Sep	0.072
Oct	0.072

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

11/01/08	\$ 10.16
	10.8
	10.94
	9.21
	9.9
	9.21
	8.72
	9.67
	9.83
	10.71
	11.44
	11.49
	11.2

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	11.4
	11.71
	11.69
	10.91
	11.36
	10.74
	11.49
	11.63
	11.73
	11.93
	11.93
	12
	12.26
	12.26
	12.61
	12.55
	12.6
	12.5
	12.47
	12.05
	12.31
	12.452
	12.6
	12.77
	12.61
	12.82
	12.67
	12.79
	12.64
	12.8
	13.14
	13.36
	13.5
	13.74
	13.82
	13.82
	13.73
	13.1299
	13.11
10/31/09	13.02

- (1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- (2) Percentage includes assets acquired in the Reorganization of Nuveen Florida Investment Quality Municipal Fund (NQF) and Nuveen Florida Quality Income Municipal Fund (NUF). Please see the Portfolio Managers' Comments for an expanded discussion on the intention overtime to reduce the Fund's concentration of Florida holdings.

FUND SNAPSHOT

Common Share Price	\$13.02
Common Share Net Asset Value	\$14.17
Premium/(Discount) to NAV	-8.12%

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Market Yield	6.64%
Taxable-Equivalent Yield(1)	9.22%
Net Assets Applicable to Common Shares (\$000)	\$1,003,366
Average Effective Maturity on Securities (Years)	14.67
Leverage-Adjusted Duration	10.33

AVERAGE ANNUAL TOTAL RETURN (Inception 7/23/92)

	ON SHARE PRICE	ON NAV
1-Year	35.00%	28.38%
5-Year	3.84%	3.81%
10-Year	5.51%	5.89%

STATES (as a % of total investments)

Florida(2)	36.7%
California	6.5%
Illinois	5.4%
New York	5.1%
Texas	4.9%
Washington	4.4%
South Carolina	3.7%
New Jersey	2.8%
Massachusetts	2.7%
Ohio	2.3%
Louisiana	2.3%
Alabama	2.1%
Michigan	1.9%
Other	19.2%

PORTFOLIO COMPOSITION (as a % of total investments)

Tax Obligation/Limited	21.9%
------------------------	-------

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Health Care	15.5%
U.S. Guaranteed	15.1%
Tax Obligation/General	10.7%
Transportation	9.9%
Utilities	7.6%
Water and Sewer	6.1%
Other	13.2%

Nuveen Investments 13

NPT Performance OVERVIEW | Nuveen Premium Income Municipal Fund 4, Inc.
as of October 31, 2009

FUND SNAPSHOT

Common Share Price	\$11.69
Common Share Net Asset Value	\$12.58
Premium/(Discount) to NAV	-7.07%
Market Yield	6.78%
Taxable-Equivalent Yield(1)	9.42%
Net Assets Applicable to Common Shares (\$000)	\$543,812
Average Effective Maturity on Securities (Years)	16.04
Leverage-Adjusted Duration	11.19

AVERAGE ANNUAL TOTAL RETURN
(Inception 2/19/93)

	ON SHARE PRICE	ON NAV
1-Year	35.01%	26.11%
5-Year	4.13%	3.92%
10-Year	5.42%	5.18%

STATES

(as a % of total investments)

Texas	12.9%
California	10.5%

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Illinois	9.8%
Indiana	5.9%
Florida	4.6%
Michigan	4.4%
Louisiana	3.3%
New York	3.3%
Alabama	3.1%
Washington	3.1%
Colorado	2.9%
New Jersey	2.9%
South Carolina	2.8%
Ohio	2.2%
Rhode Island	2.2%
Wisconsin	1.9%
North Carolina	1.9%
Georgia	1.9%
Pennsylvania	1.9%
Other	18.5%

PORTFOLIO COMPOSITION
(as a % of total investments)

U.S. Guaranteed	19.6%
Health Care	18.1%
Tax Obligation/Limited	15.6%
Tax Obligation/General	12.5%
Utilities	7.9%
Transportation	7.3%
Water and Sewer	5.4%
Other	13.6%

Credit Quality (as a % of total investments)

[PIE CHART]

AAA/U.S. Guaranteed	34%
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AA	20%
A	32%
BBB	7%
BB or Lower	2%
N/R	5%

2008-2009 Monthly Tax-Free Dividends Per Common Share

[BAR CHART]

Nov	\$ 0.0515
Dec	0.0515
Jan	0.0515
Feb	0.0515
Mar	0.0575
Apr	0.0575
May	0.0615
Jun	0.0615
Jul	0.0615
Aug	0.0615
Sep	0.066
Oct	0.066

Common Share Price Performance -- Weekly Closing Price

[LINE CHART]

11/01/08	\$ 9.33
	9.83
	9.55
	8.46
	8.7
	8.33
	7.95
	8.75
	8.89
	9.75
	10.15
	10.12
	10.17
	10.16
	10.2
	10.214
	9.49
	9.88
	9.57
	10.07
	10.06
	10.09
	10.13
	10.15
	10.26
	10.44
	10.65
	10.96
	11.06
	11.09
	10.99
	11
	10.66
	10.83
	10.84

	10.77
	11.1
	11.04
	11.19
	11.19
	11.32
	11.26
	11.47
	11.55
	11.92
	12.27
	12.53
	12.37
	12.61
	12.35
	11.88
	11.89
10/31/09	11.69

(1) Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 28%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

14 Nuveen Investments

NPI | Shareholder Meeting Report

A special meeting of shareholders for NPM was held in the offices of Nuveen Investments on May 15, 2009; at this meeting the shareholders were asked to vote to approve an Agreement and Plan of Reorganization. The meeting was subsequently adjourned to June 17, 2009, and additionally adjourned to July 24, 2009, and to July 31, 2009.

The annual meeting of shareholders was held on July 28, 2009, in the Lobby Conference Room, 333 West Wacker Drive, Chicago, IL 60606; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting was subsequently adjourned to September 1, 2009, and then adjourned to October 13, 2009, for NPI and NPT; the meeting for NPI and NPT additionally adjourned to November 24, 2009.

NPI

	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
--	--	--

TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES AND BELOW INVESTMENT GRADE SECURITIES.

For	31,632,255	6,060
Against	2,006,669	794
Abstain	1,068,825	170

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Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES FOR THE FUND.		
For	31,751,167	6,077
Against	1,846,875	778
Abstain	1,109,707	169
Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO INVESTING IN OTHER INVESTMENT COMPANIES.		
For	31,325,311	6,334
Against	2,250,891	522
Abstain	1,131,547	168
Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO DERIVATIVES AND SHORT SALES.		
For	31,156,062	6,082
Against	2,363,527	768
Abstain	1,188,160	174
Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	31,213,835	6,061
Against	2,290,077	792
Abstain	1,203,837	171
Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	31,142,246	6,155
Against	2,290,457	776
Abstain	1,275,046	93
Broker Non-Votes	11,277,115	2,790

Total	45,984,864	9,814
=====		

Nuveen Investments 15

NPI | Shareholder Meeting Report (continued)

NPI

Common and MuniPreferred MuniPreferred

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	shares voting together as a class	shares voting together as a class
APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:		
John P. Amboian		
For	43,820,565	--
Withhold	1,905,362	--
Total	45,725,927	--
Robert P. Bremner		
For	43,781,476	--
Withhold	1,944,451	--
Total	45,725,927	--
Jack B. Evans		
For	43,782,977	--
Withhold	1,942,950	--
Total	45,725,927	--
William C. Hunter		
For	--	8,903
Withhold	--	869
Total	--	9,772
David J. Kundert		
For	43,806,809	--
Withhold	1,919,118	--
Total	45,725,927	--
William J. Schneider		
For	--	8,913
Withhold	--	859
Total	--	9,772
Judith M. Stockdale		
For	43,785,384	--
Withhold	1,940,543	--
Total	45,725,927	--
Carole E. Stone		
For	43,771,314	--
Withhold	1,954,613	--
Total	45,725,927	--
Terence J. Toth		
For	43,802,553	--
Withhold	1,923,374	--
Total	45,725,927	--

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16 Nuveen Investments

NPM |

NPM

	Common shares	MuniPreferred shares voting together as a class	Muni- Preferred - Series M	Muni- Preferred - Series T	Muni- Preferred - Series W	Pre S
--	------------------	--	----------------------------------	----------------------------------	----------------------------------	----------

TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION (THE "AGREEMENT"), PURSUANT TO WHICH NUVEEN FLORIDA INVESTMENT QUALITY MUNICIPAL FUND AND NUVEEN FLORIDA QUALITY INCOME MUNICIPAL FUND (EACH AN "ACQUIRED FUND" AND COLLECTIVELY, THE "ACQUIRED FUNDS") WOULD (i) TRANSFER ALL OF ITS ASSETS TO NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (THE "ACQUIRING FUND") IN EXCHANGE SOLELY FOR SHARES OF COMMON STOCK AND SHARES OF MUNICIPAL AUCTION RATE CUMULATIVE PREFERRED STOCK ("MUNIPREFERRED") OF THE ACQUIRING FUND AND THE ACQUIRING FUND'S ASSUMPTION OF ALL THE LIABILITIES OF THE ACQUIRED FUND, (ii) DISTRIBUTE SUCH SHARES OF THE ACQUIRING FUND TO THE COMMON SHAREHOLDERS AND MUNIPREFERRED SHAREHOLDERS OF THE ACQUIRED FUND AND (iii) BE LIQUIDATED, DISSOLVED AND TERMINATED IN ACCORDANCE WITH THE ACQUIRED FUND'S DECLARATION OF TRUST (THE "REORGANIZATION").

For		10,982	1,617	2,358	1,591	
Against		117	17	23	--	
Abstain		243	--	70	43	
Total		11,342	1,634	2,451	1,634	

TO APPROVE THE ISSUANCE OF ADDITIONAL COMMON

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SHARES OF NUVEEN PREMIUM
INCOME MUNICIPAL FUND 2,
INC. IN CONNECTION WITH
THE REORGANIZATION.

For	20,989,753
Against	2,411,154
Abstain	900,018

Total	24,300,925
-------	------------

Nuveen Investments 17

NPM | Shareholder Meeting Report (continued)

NPM

	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
--	--	--

TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL
POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES
AND BELOW INVESTMENT GRADE SECURITIES.

For	18,562,252	6,547
Against	1,386,153	692
Abstain	652,744	34
Broker Non-Votes	5,796,330	583

Total	26,397,479	7,856
-------	------------	-------

TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO
INVESTMENTS IN MUNICIPAL SECURITIES FOR THE FUND.

For	18,621,352	6,569
Against	1,307,530	661
Abstain	672,267	43
Broker Non-Votes	5,796,330	583

Total	26,397,479	7,856
-------	------------	-------

TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY
RELATING TO INVESTING IN OTHER INVESTMENT COMPANIES.

For	18,477,819	6,564
Against	1,438,169	666
Abstain	685,161	43
Broker Non-Votes	5,796,330	583

Total	26,397,479	7,856
-------	------------	-------

TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY
RELATING TO DERIVATIVES AND SHORT SALES.

For	18,437,403	6,608
Against	1,491,009	622
Abstain	672,737	43
Broker Non-Votes	5,796,330	583

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Total	26,397,479	7,856
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	18,466,978	6,567
Against	1,422,332	663
Abstain	711,839	43
Broker Non-Votes	5,796,330	583

Total	26,397,479	7,856
=====		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	18,450,050	6,567
Against	1,392,695	663
Abstain	758,404	43
Broker Non-Votes	5,796,330	583

Total	26,397,479	7,856
=====		

18 Nuveen Investments

	NPM	
	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:		
John P. Amboian		
For	25,298,138	--
Withhold	1,099,341	--

Total	26,397,479	--
=====		
Robert P. Bremner		
For	25,288,825	--
Withhold	1,108,654	--

Total	26,397,479	--
=====		
Jack B. Evans		
For	25,296,413	--
Withhold	1,101,066	--

Total	26,397,479	--
=====		
William C. Hunter		
For	--	7,421
Withhold	--	435

Total	--	7,856
=====		

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David J. Kundert		
For	25,298,319	--
Withhold	1,099,160	--
<hr/>		
Total	26,397,479	--
<hr/>		
William J. Schneider		
For	--	7,421
Withhold	--	435
<hr/>		
Total	--	7,856
<hr/>		
Judith M. Stockdale		
For	25,258,716	--
Withhold	1,138,763	--
<hr/>		
Total	26,397,479	--
<hr/>		
Carole E. Stone		
For	25,281,581	--
Withhold	1,115,898	--
<hr/>		
Total	26,397,479	--
<hr/>		
Terence J. Toth		
For	25,298,465	--
Withhold	1,099,014	--
<hr/>		
Total	26,397,479	--
<hr/>		

Nuveen Investments 19

NPT | Shareholder Meeting Report (continued)

	NPT	
	Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
<hr/>		
TO APPROVE THE ELIMINATION OF THE FUND'S FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES AND BELOW INVESTMENT GRADE SECURITIES.		
For	23,846,383	5,079
Against	2,163,010	983
Abstain	835,020	143
Broker Non-Votes	6,760,112	1,637
<hr/>		
Total	33,604,525	7,842
<hr/>		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO INVESTMENTS IN MUNICIPAL SECURITIES FOR		

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THE FUND.		
For	23,983,910	5,073
Against	1,989,357	994
Abstain	871,147	138
Broker Non-Votes	6,760,111	1,637

Total	33,604,525	7,842
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO INVESTING IN OTHER INVESTMENT COMPANIES.		
For	23,399,101	5,084
Against	2,561,248	966
Abstain	884,065	155
Broker Non-Votes	6,760,111	1,637

Total	33,604,525	7,842
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO DERIVATIVES AND SHORT SALES.		
For	23,375,780	5,073
Against	2,590,975	1,002
Abstain	877,658	130
Broker Non-Votes	6,760,112	1,637

Total	33,604,525	7,842
=====		
TO APPROVE THE ELIMINATION OF THE FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	22,886,412	5,033
Against	3,039,168	1,034
Abstain	918,833	138
Broker Non-Votes	6,760,112	1,637

Total	33,604,525	7,842
=====		
TO APPROVE THE NEW FUNDAMENTAL POLICY RELATING TO COMMODITIES.		
For	22,785,608	5,057
Against	3,066,021	1,010
Abstain	992,784	138
Broker Non-Votes	6,760,112	1,637

Total	33,604,525	7,842
=====		

20 Nuveen Investments

NPT

Common and MuniPreferred shares voting together as a class	MuniPreferred shares voting together as a class
--	--

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

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John P. Amboian		
For	29,780,113	--
Withhold	1,661,713	--

Total	31,441,826	--
=====		
Robert P. Bremner		
For	29,768,391	--
Withhold	1,673,435	--

Total	31,441,826	--
=====		
Jack B. Evans		
For	29,773,791	--
Withhold	1,668,035	--

Total	31,441,826	--
=====		
William C. Hunter		
For	--	7,251
Withhold	--	572

Total	--	7,823
=====		
David J. Kundert		
For	29,782,709	--
Withhold	1,659,117	--

Total	31,441,826	--
=====		
William J. Schneider		
For	--	7,250
Withhold	--	573

Total	--	7,823
=====		
Judith M. Stockdale		
For	29,765,332	--
Withhold	1,676,494	--

Total	31,441,826	--
=====		
Carole E. Stone		
For	29,772,247	--
Withhold	1,669,579	--

Total	31,441,826	--
=====		
Terence J. Toth		
For	29,764,862	--
Withhold	1,676,964	--

Total	31,441,826	--
=====		

Nuveen Investments 21

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

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Nuveen Premium Income Municipal Fund, Inc.
Nuveen Premium Income Municipal Fund 2, Inc.
Nuveen Premium Income Municipal Fund 4, Inc.

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Premium Income Municipal Fund, Inc., Nuveen Premium Income Municipal Fund 2, Inc., and Nuveen Premium Income Municipal Fund 4, Inc. (the "Funds") as of October 31, 2009, and the related statements of operations and cash flows for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of October 31, 2009, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Premium Income Municipal Fund, Inc., Nuveen Premium Income Municipal Fund 2, Inc., and Nuveen Premium Income Municipal Fund 4, Inc. at October 31, 2009, the results of their operations and cash flows for the year then ended, changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with US generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
December 28, 2009

22 Nuveen Investments

NPI | Nuveen Premium Income Municipal Fund, Inc.
| Portfolio of Investments

October 31, 2009

PRINCIPAL
AMOUNT (000) DESCRIPTION (1)

OPTIONAL CALL
PROVISIONS (2)

ALABAMA - 4.9% (3.1% OF TOTAL INVESTMENTS)

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\$	4,050	Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 6.125%, 12/01/16	6/10 at 102.00
		Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2:	
	1,435	5.000%, 11/15/36 (UB)	11/16 at 100.00
	6,000	5.000%, 11/15/39 (UB)	11/16 at 100.00
	4,000	Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006D 5.000%, 11/15/39 (UB)	11/16 at 100.00
		Birmingham Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Health System Inc., Series 2005A:	
	6,000	5.250%, 11/15/20	11/15 at 100.00
	1,300	5.000%, 11/15/30	11/15 at 100.00
	12,000	Birmingham Waterworks And Sewer Board, Alabama, Water and Sewer Revenue Bonds, 4.500%, 1/01/43 - AMBAC Insured (UB)	1/17 at 100.00
	2,890	Courtland Industrial Development Board, Alabama, Pollution Control Revenue Bonds, International Paper Company, Series 2005A, 5.000%, 6/01/25	6/15 at 100.00
	5,020	DCH Health Care Authority, Alabama, Healthcare Facilities Revenue Bonds, Series 2002, 5.250%, 6/01/18	6/12 at 101.00
	1,000	Montgomery BMC Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Medical Center, Series 2004C, 5.250%, 11/15/29 (Pre-refunded 11/15/14)	11/14 at 100.00

	43,695	Total Alabama	

		ALASKA - 2.0% (1.3% OF TOTAL INVESTMENTS)	
		Anchorage, Alaska, General Obligation Refunding Bonds, Series 2003A:	
	2,000	5.250%, 9/01/17 (Pre-refunded 9/01/13) - FGIC Insured	9/13 at 100.00
	2,035	5.250%, 9/01/18 (Pre-refunded 9/01/13) - FGIC Insured	9/13 at 100.00
	5,000	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.500%, 6/01/31 (Pre-refunded 6/01/10)	6/10 at 100.00
	10,500	Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32	6/14 at 100.00

	19,535	Total Alaska	

		ARIZONA - 1.2% (0.8% OF TOTAL INVESTMENTS)	
		Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B:	
	500	5.250%, 12/01/24	12/15 at 100.00
	660	5.250%, 12/01/25	12/15 at 100.00
	1,355	Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company, Series 1988A, 7.250%, 7/15/10 - FSA Insured	1/10 at 100.00

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4,100	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bonds, Series 2007, 5.000%, 12/01/37	No Opt. Call
4,130	University of Arizona, Certificates of Participation, Series 2002B, 5.125%, 6/01/18 - AMBAC Insured	6/12 at 100.00
10,745	Total Arizona	

ARKANSAS - 0.9% (0.6% OF TOTAL INVESTMENTS)		
480	Paragould, Arkansas, Water, Sewer and Electric Revenue Bonds, Series 2000, 5.650%, 12/01/25 (Pre-refunded 12/01/10) - AMBAC Insured	12/10 at 100.00
5,245	University of Arkansas, Fayetteville, Athletic Facilities Revenue Bonds, Razorback Stadium, Series 1999, 5.050%, 9/15/20 - AMBAC Insured	3/10 at 100.00
2,000	Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005B, 5.000%, 2/01/25	2/15 at 100.00
7,725	Total Arkansas	

Nuveen Investments 23

NPI | Nuveen Premium Income Municipal Fund, Inc. (continued)
| Portfolio of Investments October 31, 2009

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)

CALIFORNIA - 20.9% (13.3% OF TOTAL INVESTMENTS)		
\$ 9,200	Alameda Corridor Transportation Authority, California, Subordinate Lien Revenue Bonds, Series 2004A, 0.000%, 10/01/20 - AMBAC Insured	No Opt. Call
10,000	Anaheim Public Finance Authority, California, Public Improvement Project Lease Bonds, Series 2007A-1, 4.375%, 3/01/37 - FGIC Insured	9/17 at 100.00
4,000	California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 6.000%, 5/01/15 (Pre-refunded 5/01/12)	5/12 at 101.00
5,400	California Educational Facilities Authority, Revenue Bonds, University of Southern California, Series 2005, 4.750%, 10/01/28 (UB)	10/15 at 100.00
1,500	California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006, 5.000%, 11/01/30	11/15 at 100.00
	California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A:	

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3,700	5.000%, 3/01/28	3/13 at 100.00
7,000	5.000%, 3/01/33	3/13 at 100.00
5,425	California Health Facilities Financing Authority, Revenue Bonds, Catholic Healthcare West, Series 2004I, 4.950%, 7/01/26 (Mandatory put 7/01/14)	No Opt. Call
8,560	California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/27	11/15 at 100.00
8,570	California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37	4/16 at 100.00
4,250	California Health Facilities Financing Authority, Revenue Bonds, Providence Health & Services, Series 2009B, 5.500%, 10/01/39	10/19 at 100.00
3,015	California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, 5.000%, 11/15/42 (UB)	11/16 at 100.00
11,395	California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 1993E, 5.500%, 6/01/15	No Opt. Call
	California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A:	
1,640	5.250%, 7/01/30	7/15 at 100.00
4,730	5.000%, 7/01/39	7/15 at 100.00
5,000	California Statewide Community Development Authority, Revenue Bonds, St. Joseph Health System, Series 2007A, 5.750%, 7/01/47 - FGIC Insured	7/18 at 100.00
7,130	California Statewide Community Development Authority, Revenue Bonds, Sutter Health, Tender Option Bond Trust 3175, 13.438%, 11/15/48 (IF)	5/18 at 100.00
4,000	California, Economic Recovery Revenue Bonds, Series 2004A, 5.250%, 7/01/14	No Opt. Call
	California, General Obligation Bonds, Series 2004:	
1,160	5.125%, 2/01/25	2/14 at 100.00
10,000	5.125%, 2/01/26	2/14 at 100.00
3,575	Chula Vista, California, Industrial Development Revenue Bonds, San Diego Gas and Electric Company, Series 1996A, 5.300%, 7/01/21	6/14 at 102.00
4,890	Clovis Unified School District, Fresno County, California, General Obligation Bonds, Series 2006B, 0.000%, 8/01/26 - NPFPG Insured	No Opt. Call
	Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1:	
7,200	5.000%, 6/01/33	6/17 at 100.00
3,000	5.125%, 6/01/47	6/17 at 100.00
2,000	5.750%, 6/01/47	6/17 at 100.00
5,000	Kern Community College District, California, General Obligation Bonds, Series 2006, 0.000%, 11/01/24 - FSA Insured	No Opt. Call
850	Martinez, California, Home Mortgage Revenue Bonds, Series	No Opt. Call

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1983A, 10.750%, 2/01/16 (ETM)

17,420	Pomona, California, GNMA/FNMA Collateralized Securities Program Single Family Mortgage Revenue Bonds, Series 1990A, 7.600%, 5/01/23 (ETM)	No Opt. Call
5,000	Rancho Mirage Joint Powers Financing Authority, California, Revenue Bonds, Eisenhower Medical Center, Series 2004, 5.875%, 7/01/26 (Pre-refunded 7/01/14)	7/14 at 100.00

24 Nuveen Investments

PRINCIPAL AMOUNT (000)	DESCRIPTION (1)	OPTIONAL CALL PROVISIONS (2)

	CALIFORNIA (continued)	
\$ 2,000	Redwood City School District, San Mateo County, California, General Obligation Bonds, Series 2002, 5.000%, 7/15/27 - FGIC Insured	7/12 at 100.00
3,700	Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/22 - NPMFG Insured	8/13 at 100.00
	San Diego County, California, Certificates of Participation, Burnham Institute, Series 2006:	
400	5.000%, 9/01/21	9/15 at 102.00
445	5.000%, 9/01/23	9/15 at 102.00
3,500	San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - NPMFG Insured	9/14 at 100.00
	San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A:	
10,450	0.000%, 1/15/31 - NPMFG Insured	No Opt. Call
7,150	0.000%, 1/15/32 - NPMFG Insured	No Opt. Call
50,400	0.000%, 1/15/34 - NPMFG Insured	No Opt. Call
24,025	0.000%, 1/15/36 - NPMFG Insured	No Opt. Call

266,680	Total California	

COLORADO - 4.5% (2.9% OF TOTAL INVESTMENTS)

2,500	Centennial Water and Sanitation District, Colorado, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 12/01/21 - FGIC Insured	12/14 at 100.00
690	Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Bromley School, Series 2005, 5.125%, 9/15/20 - SYNCORA GTY Insured	9/15 at 100.00
2,125	Colorado Health Facilities Authority, Revenue Bonds, Evangelical Lutheran Good Samaritan Society, Series 2005, 5.000%, 6/01/29	6/16 at 100.00
1,000	Colorado Health Facilities Authority, Revenue Bonds, Parkview Medical Center, Series 2004, 5.000%, 9/01/25	9/14 at 100.00

800 Colorado Health Facilities Authority, Revenue Bonds, Poudre
Valley Health Care, Series

3/15 at 100.00