

FEDERATED PREMIER MUNICIPAL INCOME FUND
Form N-CSR
February 05, 2010

United States
Securities and Exchange Commission
Washington, D.C. 20549

Form N-CSR
Certified Shareholder Report of Registered Management Investment Companies

811-21235

(Investment Company Act File Number)

Federated Premier Municipal Income Fund

(Exact Name of Registrant as Specified in Charter)

Federated Investors Funds
4000 Ericsson Drive
Warrendale, Pennsylvania 15086-7561
(Address of Principal Executive Offices)

(412) 288-1900
(Registrant's Telephone Number)

John W. McGonigle, Esquire
Federated Investors Tower
1001 Liberty Avenue
Pittsburgh, Pennsylvania 15222-3779
(Name and Address of Agent for Service)
(Notices should be sent to the Agent for Service)

Date of Fiscal Year End: 11/30/2009

Date of Reporting Period: 11/30/2009

Item 1. Reports to Stockholders

Federated Premier Municipal Income Fund

Federated Premier Intermediate Municipal Income Fund

Annual Shareholder Report

November 30, 2009

Federated Investors' Closed-End Municipal Funds

Established 2002

FINANCIAL HIGHLIGHTS

PORTFOLIO OF INVESTMENTS SUMMARY TABLES

PORTFOLIOS OF INVESTMENTS

STATEMENTS OF ASSETS AND LIABILITIES

STATEMENTS OF OPERATIONS

STATEMENTS OF CHANGES IN NET ASSETS

NOTES TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

BOARD OF TRUSTEES AND FUND OFFICERS

LAST MEETING OF SHAREHOLDERS

EVALUATION AND APPROVAL OF ADVISORY CONTRACT

DIVIDEND REINVESTMENT PLAN

DISCLOSURE UPDATE

VOTING PROXIES ON FUND PORTFOLIO SECURITIES

QUARTERLY PORTFOLIO SCHEDULE

SOURCE OF DISTRIBUTIONS - NOTICE

CERTIFICATION DISCLOSURE

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Financial Highlights - Federated Premier
Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

Year Ended November 30	2009	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$11.08	\$14.60	\$15.56	\$15.05	\$14.66
Income From Investment Operations:					
Net investment income ¹	1.07	1.12	1.12	1.12	1.12
Net realized and unrealized gain (loss) on investments, swap contracts and futures contracts	2.13	(3.59)	(0.96)	0.55	0.43
Distributions to preferred shareholders from net investment income ²	(0.02)	(0.25)	(0.32)	(0.29)	(0.19)
TOTAL FROM INVESTMENT OPERATIONS	3.18	(2.72)	(0.16)	1.38	1.36
Less Distributions to Common Shareholders:					
From net investment income	(1.01)	(0.80)	(0.80)	(0.87)	(0.97)
Net Asset Value, End of Period	\$13.25	\$11.08	\$14.60	\$15.56	\$15.05
Market Price, End of Period	\$14.47	\$9.37	\$13.92	\$15.80	\$14.44
Total Return at Net Asset Value³	29.89%	(19.45)%	(1.01)%	9.51%	9.49%
Total Return at Market Price⁴	67.59%	(28.31)%	(7.03)%	15.90%	7.75%
Ratios to Average Net Assets:					
Net expenses ⁵	1.03%	0.98% ⁶	0.85%	0.85%	0.85%
Net expenses excluding interest and trust expenses on inverse floater structures ⁵	0.85%	0.85%	0.85%	0.85%	0.85%
Net investment income ⁷	8.59%	6.37%	5.33%	5.49%	6.16%
Expense waiver/reimbursement ⁸	0.56%	0.54%	0.47% ⁹	0.45% ⁹	0.45% ⁹
Supplemental Data:					
Net assets, end of period (000 omitted)	\$81,443	\$67,990	\$89,528	\$95,291	\$92,013
Portfolio turnover	79%	32%	12%	21%	3%

Annual Shareholder Report

Asset Coverage Requirements for Investment Company Act of 1940 - Preferred Shares

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share¹⁰
11/30/2009	\$36,575,000	\$80,668	\$50,006	\$25,003	\$25,000
11/30/2008	\$44,075,000	\$63,565	\$50,006	\$25,003	\$25,000
11/30/2007	\$53,675,000	\$66,699	\$50,006	\$25,003	\$25,000
11/30/2006	\$53,675,000	\$69,383	\$50,034	\$25,017	\$25,000
11/30/2005	\$53,675,000	\$67,857	\$50,024	\$25,012	\$25,000

- 1 Per share numbers have been calculated using the average shares method.
- 2 The amounts shown are based on Common Share equivalents.
- 3 Total Return at Net Asset Value is the combination of changes in the Common Share net asset value, reinvested dividend income and reinvested capital gains distributions at net asset value, if any, and does not reflect the sales charge, if applicable.
- 4 Total Return at Market Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of the reinvestment.
- 5 Ratios do not reflect the effect of dividend payments to preferred shareholders and any associated commission costs.
- 6 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio for the year ended November 30, 2008, is 0.98% after taking into account this expense reduction.
- 7 Ratios reflect reductions for dividend payments to preferred shareholders.
- 8 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.
- 9 Additional information relating to contractual expense waivers, which has no effect on net expenses, net investment income and net assets previously reported, has been provided to conform to the current year presentation.
- 10 Represents initial public offering price.

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Financial Highlights - Federated Premier
Intermediate Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

Year Ended November 30	2009	2008	2007	2006	2005
Net Asset Value, Beginning of Period	\$11.90	\$14.15	\$14.83	\$14.41	\$14.53
Income From Investment Operations:					
Net investment income ¹	0.92	0.97	0.99	0.96	0.92
Net realized and unrealized gain (loss) on investments, swap contracts and futures contracts	1.54	(2.29)	(0.66)	0.44	(0.08)
Distributions to preferred shareholders from net investment income ²	(0.02)	(0.24)	(0.32)	(0.29)	(0.20)
TOTAL FROM INVESTMENT OPERATIONS	2.44	(1.56)	0.01	1.11	0.64
Less Distributions to Common Shareholders:					
From net investment income	(0.88)	(0.69)	(0.69)	(0.69)	(0.76)
Net Asset Value, End of Period	\$13.46	\$11.90	\$14.15	\$14.83	\$14.41
Market Price, End of Period	\$13.62	\$9.37	\$12.50	\$13.81	\$12.68
Total Return at Net Asset Value³	21.24%	(11.47)%	0.10%	7.94%	4.46%
Total Return at Market Price⁴	56.22%	(20.62)%	(4.80)%	14.63%	(0.66)%
Ratios to Average Net Assets:					
Net expenses ⁵	1.08%	0.98% ⁶	0.89%	0.89%	0.89%
Net expenses excluding interest and trust expenses on inverse floater structures ⁵	0.89%	0.89%	0.89%	0.89%	0.89%
Net investment income ⁷	7.01%	5.43%	4.63%	4.61%	4.97%
Expense waiver/reimbursement ⁸	0.43%	0.45%	0.42% ⁹	0.39% ⁹	0.40% ⁹
Supplemental Data:					
Net assets, end of period (000 omitted)	\$93,598	\$82,655	\$98,317	\$103,017	\$100,124
Portfolio turnover	47%	20%	17%	46%	15%
Annual Shareholder Report					

Asset Coverage Requirements for Investment Company Act of 1940 - Preferred Shares

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share¹⁰
11/30/2009	\$41,900,000	\$80,846	\$50,000	\$25,000	\$25,000
11/30/2008	\$50,900,000	\$65,597	\$50,004	\$25,002	\$25,000
11/30/2007	\$61,025,000	\$65,277	\$50,018	\$25,009	\$25,000
11/30/2006	\$61,025,000	\$67,203	\$50,010	\$25,005	\$25,000
11/30/2005	\$61,025,000	\$66,017	\$50,004	\$25,002	\$25,000

- 1 Per share numbers have been calculated using the average shares method.
- 2 The amounts shown are based on Common Share equivalents.
- 3 Total Return at Net Asset Value is the combination of changes in the Common Share net asset value, reinvested dividend income and reinvested capital gains distributions at net asset value, if any, and does not reflect the sales charge, if applicable.
- 4 Total Return at Market Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of the reinvestment.
- 5 Ratios do not reflect the effect of dividend payments to preferred shareholders and any associated commission costs.
- 6 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio for the year ended November 30, 2008, is 0.98% after taking into account this expense reduction.
- 7 Ratios reflect reductions for dividend payments to preferred shareholders.
- 8 This expense decrease is reflected in both the net expense and the net investment income ratios shown above.
- 9 Additional information relating to contractual expense waivers, which has no effect on net expenses, net investment income and net assets previously reported, has been provided to conform to the current year presentation.
- 10 Represents initial public offering price.

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Portfolio of Investments Summary
 Table (unaudited) - Federated Premier
 Municipal Income Fund

At November 30, 2009, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Investments ²
GO State	16.4%
GO Local	12.7%
Special Tax	10.4%
Hospital	9.1%
Transportation	8.4%
Pre-refunded	7.9%
Senior Care	5.7%
Water & Sewer	5.6%
Education	5.5%
Public Power	5.1%
Other ³	13.2%
TOTAL	100.0%

1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party (other than a bond insurer), such as a guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's Adviser. Securities that are insured by a bond insurer are assigned according to the economic sector and/or revenue source of the underlying obligor. Pre-refunded securities are those whose debt service is paid from escrowed funds, usually U.S. government securities.

2 Percentages reflect the fully consolidated asset of any inverse floater trust as presented in the Portfolio of Investments.

3 For purposes of this table, sector classifications constitute 86.8% of the Fund's total investments. Remaining sectors have been aggregated under the designation "Other."

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Portfolio of Investments - Federated Premier Municipal Income Fund

November 30, 2009

Principal Amount		Value
	Municipal Bonds 98.0%	
	Alabama 0.2%	
\$350,000	Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	309,789
	Arizona 1.3%	
1,000,000	Phoenix, AZ Civic Improvement Corp. — Water System, Junior Lien Water System Revenue Bonds (Series 2009A), 5.00%, 7/1/2028	1,078,120
750,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.50%, 7/15/2027	671,850
	TOTAL	1,749,970
	California 12.6%	
2,500,000	Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (Series 2009F-1), 5.00%, 4/1/2028	2,629,325
1,280,000	California State, Refunding Economic Recovery Bonds (Series 2009A), 5.00% (California State Fiscal Recovery Fund), 7/1/2018	1,367,398
2,000,000	California State, UT GO Various Purpose Bonds, 5.75% (Original Issue Yield: 5.95%), 4/1/2031	2,034,500
1,500,000	California State, Various Purpose UT GO Bonds, 5.25%, 10/1/2025	1,519,785
1,000,000	California State, Various Purpose UT GO Bonds, 6.00% (Original Issue Yield: 6.10%), 4/1/2038	1,017,770
1,000,000	Chula Vista, CA, Industrial Development Refunding Revenue Bonds (Series 2004-B), 5.875% (San Diego Gas & Electric Co.), 2/15/2034	1,077,310
375,000	Chula Vista, CA, Industrial Development Refunding Revenue Bonds (Series 2004-D), 5.875% (San Diego Gas & Electric Co.), 1/1/2034	403,991
260,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Bonds (Series 2007A-1), 5.75%, 6/1/2047	187,036
750,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue Bonds (Series 2003A-2), 7.90% (United States Agency PRF 6/1/2013@100), 6/1/2042	912,653
1,500,000	M-S-R Energy Authority, CA, Gas Revenue Bonds (Series 2009A), 7.00% (GTD by Citigroup, Inc.), 11/1/2034	1,647,120
2,000,000	Regents of University of California, General Revenue Bonds (Series 2009Q), 5.25%, 5/15/2029	2,170,120
2,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 5.50%, 5/1/2025	2,109,660
	TOTAL	17,076,668
	Colorado 4.4%	
725,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00% (United States Treasury PRF 12/1/2013@101), 12/1/2023	914,667

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$1,000,000	Buckhorn Valley Metropolitan District No. 2, CO, LT GO Bonds, 7.00%, 12/1/2023	888,240
500,000	Colorado Educational & Cultural Facilities Authority, Refunding Revenue Bonds (Series A), 7.00% (Denver Academy)/(Original Issue Yield: 7.25%), 11/1/2023	508,490
320,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COP (Series 2008), 5.50% (Original Issue Yield: 5.60%), 11/1/2027	341,347
250,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.75% (United States Treasury PRF 12/1/2013@102), 12/1/2034	300,753
500,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.55% (United States Treasury PRF 12/1/2013@102), 12/1/2032	627,205
665,000	Conservatory Metropolitan District, CO, Refunding & Improvement LT GO Bonds, 5.125% (Radian Asset Assurance, Inc. INS), 12/1/2037	472,323
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.25% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 6.28%), 12/1/2033	1,216,960
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 7.05%), 12/1/2024	627,205
	TOTAL	5,897,190
	Connecticut 1.1%	
1,250,000	Connecticut State Development Authority, First Mortgage Gross Revenue Health Care Project Bonds (Series 2003), 5.85% (Elim Park Baptist Home, Inc.)/(Original Issue Yield: 5.98%), 12/1/2033	1,139,237
275,000	Connecticut State, UT GO Bonds (Series 2009A), 5.00%, 2/15/2029	300,424
	TOTAL	1,439,661
	District of Columbia 1.7%	
2,500,000	District of Columbia Tobacco Settlement Financing Corp., Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.67%), 5/15/2033	2,351,400
	Florida 4.9%	
540,000	Broward County, FL Airport System, Airport System Refunding Revenue Bonds (Series 2009O), 5.375% (Original Issue Yield: 5.48%), 10/1/2029	553,856
400,000	¹ Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102)/(Original Issue Yield: 8.95%), 10/1/2033	490,120
1,235,000	Harbor Bay, FL Community Development District, Special Assessment Revenue Bonds, 6.75%, 5/1/2034	845,036
400,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.25%, 5/1/2034	322,108

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$1,000,000	Orlando, FL Utilities Commission, Utility System Revenue Bonds (Series 2009A), 5.25%, 10/1/2039	1,044,960
1,000,000	South Lake County, FL Hospital District, Revenue Bonds, 6.625% (South Lake Hospital, Inc.), 10/1/2023	1,029,980
1,000,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2007), 6.65% (Original Issue Yield: 6.70%), 5/1/2040	781,080
490,000	Tuscany Reserve Community Development District, FL, Capital Improvement Revenue Bonds (Series 2005A), 5.55%, 5/1/2036	255,221
990,000	Verandah West, FL Community Development District, Capital Improvement Revenue Bonds (Series 2003A), 6.625% (Original Issue Yield: 6.75%), 5/1/2033	899,049
490,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.65%, 5/1/2037	421,425
	TOTAL	6,642,835
	Georgia 3.0%	
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00% (Original Issue Yield: 6.14%), 11/1/2024	1,624,650
1,000,000	Atlanta, GA, Tax Allocation Bonds (Series 2005B), 5.60% (Eastside Tax Allocation District)/(Original Issue Yield: 5.65%), 1/1/2030	872,490
1,500,000	DeKalb Private Hospital Authority, GA, Revenue Anticipation Certificates (Series 2009), 5.00% (Children's Healthcare of Atlanta, Inc.), 11/15/2024	1,527,060
	TOTAL	4,024,200
	Guam 0.3%	
375,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625% (Original Issue Yield: 5.875%), 12/1/2029	379,433
	Hawaii 1.7%	
750,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series 2009), 6.50% (Hawaiian Electric Co., Inc.), 7/1/2039	797,782
1,400,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 8.00% (Kahala Nui)/(Original Issue Yield: 8.175%), 11/15/2033	1,496,460
	TOTAL	2,294,242
	Illinois 2.5%	
980,000	Antioch Village, IL Special Service Area No. 1, Special Tax Revenue Bonds, 6.625% (Deercrest Project), 3/1/2033	710,431
1,000,000	Chicago, IL Special Assessment, Improvement Revenue Bonds, 6.75% (Lakeshore East Project)/(Original Issue Yield: 6.769%), 12/1/2032	901,290
420,000	DuPage County, IL, Special Tax Bonds (Series 2006), 5.625% (Naperville Campus LLC), 3/1/2036	302,308

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$1,000,000	Illinois Educational Facilities Authority, Refunding Revenue Bonds (Series A), 5.70% (Augustana College)/(Original Issue Yield: 5.90%), 10/1/2032	1,001,980
625,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place)/(Original Issue Yield: 6.04%), 5/15/2037	489,694
	TOTAL	3,405,703
	Indiana 1.2%	
1,930,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.25% (Baptist Homes of Indiana), 11/15/2035	1,644,264
	Kentucky 0.3%	
325,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.625% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.97%), 10/1/2028	332,173
	Maryland 0.4%	
550,000	Baltimore, MD, Special Obligation Revenue Bonds (Series 2008A), 7.00% (East Baltimore Research Park), 9/1/2038	521,367
	Mississippi 1.2%	
2,000,000	Mississippi Development Bank, Special Obligation Bonds (Series 2006A), 5.00% (Municipal Energy Agency of Mississippi)/(Syncora Guarantee, Inc. INS), 3/1/2041	1,651,180
	Missouri 0.4%	
500,000	Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Series 2003A), 5.50% (Branson, MO)/(Original Issue Yield: 5.56%), 12/1/2032	476,205
	New Jersey 0.4%	
500,000	New Jersey EDA, Revenue Bonds, (Series 2004), 5.75% (NJ Dedicated Cigarette Excise Tax)/(Original Issue Yield: 5.89%), 6/15/2029	479,610
214,016	³ New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.50% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.72%), 7/1/2023	21
	TOTAL	479,631
	New Mexico 0.6%	
750,000	^{1,2} Jicarilla, NM Apache Nation, Revenue Bonds, 5.50%, 9/1/2023	785,100
	New York 5.8%	
750,000	Dutchess County, NY IDA, Civic Facility Revenue Bonds (Series 2004B), 7.50% (St. Francis Hospital and Health Centers), 3/1/2029	728,355
800,000	¹ New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	743,008
1,000,000	New York City, NY Municipal Water Finance Authority, Revenue Bonds, 5.50% (Original Issue Yield: 5.57%), 6/15/2026	1,119,120

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$2,000,000	New York City, NY Municipal Water Finance Authority, Water & Sewer System Second General Resolution Revenue Bonds (Series Fiscal 2009EE), 5.25% (Original Issue Yield: 5.50%), 6/15/2040	2,082,360
1,000,000	New York State Dormitory Authority, Revenue Bonds (Series 2009C), 5.00% (School District Financing Program)/(Assured Guaranty Corp. INS), 10/1/2025	1,071,360
2,000,000	Triborough Bridge & Tunnel Authority, NY, General Revenue Bonds (Series 2009A-2), 5.25% (Original Issue Yield: 5.44%), 11/15/2034	2,105,020
	TOTAL	7,849,223
	North Carolina 1.4%	
1,000,000	North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series 2003C), 5.375% (Original Issue Yield: 5.57%), 1/1/2017	1,062,500
800,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.80% (Arc of North Carolina Projects), 10/1/2034	766,472
	TOTAL	1,828,972
	Ohio 1.6%	
1,090,000	Ohio State Air Quality Development Authority, 5.70% (FirstEnergy Solutions Corp.), 8/1/2020	1,140,478
500,000	Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2026	537,490
500,000	Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2027	534,370
	TOTAL	2,212,338
	Oregon 0.3%	
500,000	¹ Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	349,720
	Pennsylvania 7.0%	
1,000,000	Allegheny County, PA IDA, Environmental Improvement Refunding Revenue Bonds (Series 2009), 6.50% (United States Steel Corp.), 5/1/2017	1,013,410
935,000	Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 7.25% (Wesley Affiliated Services, Inc. Obligated Group)/(United States Treasury PRF 1/1/2013@101)/(Original Issue Yield: 7.50%), 1/1/2035	1,110,462
360,000	Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 7.25% (Wesley Affiliated Services, Inc. Obligated Group)/(United States Treasury PRF 1/1/2013@101)/(Original Issue Yield: 7.50%), 1/1/2035	427,558
500,000	Pennsylvania State Higher Education Facilities Authority, Revenue Bonds, (Series A), 6.00% (UPMC Health System)/(Original Issue Yield: 6.16%), 1/15/2031	515,480

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$2,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.50%, 12/1/2041	2,032,300
1,630,000	Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.00% (Original Issue Yield: 5.13%), 1/1/2027	1,653,716
2,500,000	Philadelphia, PA, UT GO Refunding Bonds (Series 2009A), 5.25% (Assured Guaranty Corp. INS)/(Original Issue Yield: 5.30%), 8/1/2022	2,725,575
	TOTAL	9,478,501
	Puerto Rico 1.5%	
2,000,000	Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue Bonds (First Subordinate Series 2009A), 6.00% (Original Issue Yield: 6.25%), 8/1/2042	2,048,420
	South Carolina 0.8%	
1,170,000	South Carolina Jobs-EDA, Health System Revenue Bonds (Series A), 5.625% (Bon Secours Health System)/(Original Issue Yield: 5.84%), 11/15/2030	1,141,160
	South Dakota 2.0%	
1,000,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.50%, 6/1/2032	954,620
1,750,000	South Dakota State Health & Educational Authority, Revenue Bonds, 5.65% (Westhills Village Retirement Community)/(Original Issue Yield: 5.75%), 9/1/2023	1,771,630
	TOTAL	2,726,250
	Tennessee 3.7%	
2,000,000	Johnson City, TN Health & Education Facilities Board, Hospital Refunding Revenue Bonds (Series A), 7.50% (Mountain States Health Alliance)/(MBIA GIC & cash collateral PRF 7/1/2012@103), 7/1/2025	2,270,800
2,580,000	Tennessee State School Board Authority, Higher Educational Facilities Second Program Bonds (Series 2008B), 5.50%, 5/1/2038	2,762,793
	TOTAL	5,033,593
	Texas 16.5%	
700,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 7.125% (Wise Regional Health System), 9/1/2034	676,102
385,000	HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2027	311,203
585,000	HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2037	419,088
2,000,000	Harris County, TX Cultural Education Facilities Finance Corp., Refunding Revenue Bonds (Series 2009), 5.625% (St. Luke's Episcopal Hospital), 2/15/2025	2,077,720
1,500,000	Harris County, TX Flood Control District, LT GO Refunding Bonds (Series 2006A), 5.00%, 10/1/2026	1,613,940

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$2,000,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.00%, 7/1/2022	2,126,860
1,500,000	Lower Colorado River Authority, TX, Refunding Revenue Bonds (Series 2009), 5.25%, 5/15/2029	1,562,385
1,050,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2003B), 6.15% (Texas Competitive Electric Holdings Co. LLC), 8/1/2022	543,974
10,000,000 ⁴	Spring Branch, TX ISD, LT GO Bonds, 5.250%, 2/1/2034	10,534,197
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, (Series 2006A), 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2036	428,500
1,985,000	Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.30%, 7/1/2034	2,018,546
	TOTAL	22,312,515
	Virginia 3.6%	
1,000,000	Broad Street CDA, VA, Revenue Bonds, 7.50% (Original Issue Yield: 7.625%), 6/1/2033	855,240
1,400,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.625%), 12/1/2032	1,691,270
1,200,000	Virginia College Building Authority, Educational Facilities Revenue Bonds (Series 2009A), 5.00%, 2/1/2028	1,303,776
1,000,000	Virginia Peninsula Port Authority, Coal Terminal Refunding Revenue Bonds (Series 2003), 6.00% (Brinks Co. (The)), 4/1/2033	1,014,740
	TOTAL	4,865,026
	Washington 10.6%	
1,000,000	Washington State Health Care Facilities Authority, Revenue Bonds, 5.00% (Group Health Cooperative)/(Radian Asset Assurance, Inc. INS), 12/1/2036	831,180
12,790,000 ⁴	Washington State, UT GO Bonds (Series 2008A), 5.000%, 7/1/2030	13,558,551
	TOTAL	14,389,731
	Wisconsin 4.1%	
2,000,000	Wisconsin State General Fund Appropriation, Revenue Bonds (Series 2009A), 6.00% (Wisconsin State)/(Original Issue Yield: 6.10%), 5/1/2036	2,180,060
1,500,000	Wisconsin State HEFA, Health Facilities Revenue Bonds (Series A), 5.25% (Ministry Health Care)/(National Public Finance Guarantee Corporation INS)/(Original Issue Yield: 5.38%), 2/15/2032	1,392,285
160,000	Wisconsin State HEFA, Revenue Bonds (Series 2004), 5.75% (Blood Center of Wisconsin, Inc.)/(Original Issue Yield: 5.82%), 6/1/2034	161,450
500,000	Wisconsin State HEFA, Revenue Bonds, 6.50% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.75%), 7/1/2023	468,300

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$500,000	Wisconsin State HEFA, Revenue Bonds, 6.625% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.875%), 7/1/2028	467,605
1,000,000	Wisconsin State HEFA, Revenue Bonds, 7.25% (Community Memorial Hospital)/(Original Issue Yield: 7.45%), 1/15/2033	908,760
	TOTAL	5,578,460
	Wyoming 0.9%	
1,200,000	Sweetwater County, WY PCRB, PCR Refunding Bonds (Series 2006), 5.25% (Idaho Power Co.), 7/15/2026	1,228,068
	TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$132,237,507)	132,502,988
	Short-Term Municipals 2.0%;5	
	New York 1.2%	
1,600,000	New York City, NY IDA, Liberty Revenue Bonds (Series 2004 B) Daily VRDNs (One Bryant Park LLC)/(Bank of America N.A. and Citibank NA, New York LOCs), 0.220%, 12/1/2009	1,600,000
	Pennsylvania 0.8%	
800,000	Philadelphia, PA Authority for Industrial Development Daily VRDNs (Newcourtland Elder Services)/(PNC Bank, N.A. LOC), 0.210%, 12/1/2009	800,000
300,000	Philadelphia, PA Hospitals & Higher Education Facilities Authority, (Series 2005A) Daily VRDNs (Children's Hospital of Philadelphia)/(Bank of America N.A. LIQ), 0.190%, 12/1/2009	300,000
	TOTAL	1,100,000
	TOTAL SHORT-TERM MUNICIPALS (AT AMORTIZED COST)	2,700,000
	TOTAL MUNICIPAL INVESTMENTS — 100.0% (IDENTIFIED COST \$134,937,507) ⁶	135,202,988
	OTHER ASSETS AND LIABILITIES — NET	(17,185,231)
	LIQUIDATION VALUE OF AUCTION PREFERRED SHARES	(36,575,000)
	TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$81,442,757

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

- At November 30, 2009, the Fund held no securities that are subject to the federal alternative minimum tax (AMT).
- Note: The categories of investments are shown as a percentage of total market value at November 30, 2009.
- Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:
- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)
- The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.
- The following is a summary of the inputs used, as of November 30, 2009, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1 — Quoted Prices and Investments in Mutual Funds	Level 2 — Other Significant Observable Inputs	Level 3 — Significant Unobservable Inputs	Total
Debt Securities:				
Municipal Bonds	\$ —\$132,502,988		\$ —\$132,502,988	
Short-Term Municipals	—	2,700,000	—2,700,000	
TOTAL SECURITIES	\$ —\$135,202,988		\$ —\$135,202,988	

Annual Shareholder Report

- The following acronyms are used throughout this portfolio:

CDA	— Community Development Authority
COP	— Certificate of Participation
EDA	— Economic Development Authority
EDFA	— Economic Development Finance Authority
GO	— General Obligation
GTD	— Guaranteed
HEFA	— Health and Education Facilities Authority
HFDC	— Health Facility Development Corporation
IDA	— Industrial Development Authority
IDB	— Industrial Development Bond
INS	— Insured
ISD	— Independent School District
LIQ	— Liquidity Agreement
LO	— Limited Obligation
LOC(s)	— Letter(s) of Credit
LT	— Limited Tax
PCR	— Pollution Control Revenue
PCRB	— Pollution Control Revenue Bond
PRF	— Prerefunded
UT	— Unlimited Tax
VRDNs	— Variable Rate Demand Notes

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Portfolio of Investments Summary
 Table (unaudited) - Federated Premier
 Intermediate Municipal Income Fund

At November 30, 2009, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Investments ²
GO State	29.5%
Special Tax	10.2%
Pre-refunded	8.4%
Hospital	7.6%
Senior Care	6.5%
GO Local	6.0%
Public Power	5.3%
Electric & Gas	4.9%
Water & Sewer	4.4%
Education	3.6%
Other ³	13.6%
TOTAL	100.0%

1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party (other than a bond insurer), such as a guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's Adviser. Securities that are insured by a bond insurer are assigned according to the economic sector and/or revenue source of the underlying obligor. Pre-refunded securities are those whose debt service is paid from escrowed funds, usually U.S. government securities.

2 Percentages reflect the fully consolidated asset of any inverse floater trust as presented in the Portfolio of Investments.

3 For purposes of this table, sector classifications constitute 86.4% of the Fund's total investments. Remaining sectors have been aggregated under the designation "Other."

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Portfolio of Investments - Federated Premier
Intermediate Municipal Income Fund

November 30, 2009

Principal Amount		Value
	Municipal Bonds 97.6%	
	Alabama 0.2%	
\$350,000	Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	309,789
	Arizona 2.5%	
1,500,000	Arizona Transportation Board, Subordinated Highway Revenue Bonds (Series 2004B), 5.00%, 7/1/2020	1,636,500
690,000	Pima County, AZ IDA, PCRBs (Series 2009A), 4.95% (Tucson Electric Power Co.), 10/1/2020	696,879
1,500,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.15%, 7/15/2017	1,500,825
	TOTAL	3,834,204
	Arkansas 1.5%	
1,000,000	Arkansas Development Finance Authority, Revenue Bonds, 7.25% (Washington Regional Medical Center)/(United States Agency PRF 2/1/2010@100)/(Original Issue Yield: 7.40%), 2/1/2020	1,010,940
1,000,000	Independence County, AR, PCR Refunding Bonds (Series 2005), 5.00% (Entergy Arkansas, Inc.), 1/1/2021	976,680
300,000	Jefferson County, AR, PCR Refunding Bonds (Series 2006), 4.60% (Entergy Arkansas, Inc.), 10/1/2017	302,697
	TOTAL	2,290,317
	California 7.4%	
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014	605,220
1,705,000	California State, Refunding Economic Recovery Bonds (Series 2009A), 5.00% (California State Fiscal Recovery Fund), 7/1/2018	1,821,418
2,000,000	California State, Various Purpose UT GO Bonds, 5.00%, 10/1/2018	2,111,380
1,335,000	California Statewide Communities Development Authority, Proposition 1A Receivables Program (Series 2009), 5.00% (California State), 6/15/2013	1,407,237
2,000,000	California Statewide Communities Development Authority, Revenue Bonds (Series 2007), 5.00% (Inland Regional Center), 12/1/2017	1,822,080
1,680,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Revenue Bonds (Series 2003A-1), 6.25% (United States Agency PRF 6/1/2013@100)/(Original Issue Yield: 6.55%), 6/1/2033	1,873,603
1,500,000	San Diego, CA Public Facilities Authority, Senior Sewer Refunding Revenue Bonds (Series 2009B), 5.00%, 5/15/2016	1,691,445
	TOTAL	11,332,383

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
Colorado 3.4%		
\$725,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00% (United States Treasury PRF 12/1/2013@101), 12/1/2023	914,667
500,000	Buckhorn Valley Metropolitan District No. 2, CO, LT GO Bonds, 7.00%, 12/1/2023	444,120
260,000	Colorado Educational & Cultural Facilities Authority, Refunding Revenue Bonds (Series A), 6.25% (Denver Academy)/(Original Issue Yield: 6.50%), 11/1/2013	265,494
1,265,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2005), 5.00% (Covenant Retirement Communities, Inc.), 12/1/2013	1,285,430
865,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.40% (United States Treasury PRF 12/1/2013@102), 12/1/2016	1,052,515
600,000	Denver (City & County), CO, Airport System Revenue Bonds (Series 2009A), 5.00% (Denver, CO City & County Department of Aviation), 11/15/2016	667,476
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 7.05%), 12/1/2024	627,205
	TOTAL	5,256,907
District of Columbia 0.7%		
1,000,000	District of Columbia, Ballpark Revenue Bonds (Series 2006B-1), 5.25% (FGIC and National Public Finance Guarantee Corporation INS), 2/1/2016	1,033,960
Florida 5.0%		
600,000	¹ Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102), (Original Issue Yield: 8.95%), 10/1/2033	735,180
1,000,000	Citizens Property Insurance Corp. FL, Senior Secured Bonds (Series 2009A-1), 5.00% (Assured Guaranty Corp. INS), 6/1/2014	1,061,950
180,000	Fishhawk Community Development District II, Special Assessment Revenue Bonds (Series 2004B), 7.04% (Original Issue Yield: 7.087%), 11/1/2014	169,258
1,000,000	Florida Municipal Loan Council, Revenue Bonds (Series 2003B), 5.25% (National Public Finance Guarantee Corporation INS), 12/1/2019	1,043,030
385,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.00%, 5/1/2020	330,738
500,000	Orlando, FL, Senior Tourist Development Tax Revenue Bonds (Series 2008A), 5.25% (6th Cent Contract Payments)/(Assured Guaranty Corp. INS), 11/1/2020	545,450
1,500,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2007), 6.375%, 5/1/2017	1,327,080

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$2,390,000	University of Central Florida Athletics Association, Inc., FL, COP (Series 2004A), 5.125% (FGIC and National Public Finance Guarantee Corporation INS), 10/1/2022	2,410,912
	TOTAL	7,623,598
	Georgia 4.3%	
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00%, 11/1/2019	1,686,675
1,400,000	Burke County, GA Development Authority, PCRBs (Series 2007E), 4.75% TOBs (Oglethorpe Power Corp.)/(National Public Finance Guarantee Corporation INS), Mandatory Tender 4/1/2011	1,451,884
500,000	DeKalb Private Hospital Authority, GA, Revenue Anticipation Certificates (Series 2009), 5.00% (Children's Healthcare of Atlanta, Inc.), 11/15/2016	543,705
750,000	Fulton County, GA Residential Care Facilities, Revenue Bonds (Series 2004A), 6.00% (Canterbury Court), 2/15/2022	671,438
2,115,000	Municipal Electric Authority of Georgia, Revenue Bonds (Series 2002A), 5.25% (National Public Finance Guarantee Corporation INS), 11/1/2015	2,267,597
	TOTAL	6,621,299
	Guam 0.9%	
1,250,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.00%, 12/1/2015	1,301,500
	Hawaii 1.1%	
1,550,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 7.00% (Kahala Nui)/(Original Issue Yield: 7.00%), 11/15/2012	1,662,391
	Illinois 3.8%	
1,825,000	Chicago, IL Sales Tax, Refunding Revenue Bonds, 5.00% (FSA INS), 1/1/2019	2,024,436
1,000,000	Chicago, IL Special Assessment, Improvement Bonds (Series 2002), 6.625% (Lakeshore East Project)/(Original Issue Yield: 6.637%), 12/1/2022	947,140
1,000,000	Illinois Educational Facilities Authority, Refunding Revenue Bonds (Series A), 5.00% (Augustana College)/(Original Issue Yield: 5.05%), 10/1/2014	1,033,280
875,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place), 5/15/2025	753,882
1,000,000	Illinois Finance Authority, Refunding Revenue Bonds (Series 2005A), 5.00% (Depaul University), 10/1/2014	1,082,340
	TOTAL	5,841,078
	Indiana 1.4%	
1,050,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.00% (Baptist Homes of Indiana), 11/15/2014	1,069,719

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$955,000	Indiana State Finance Authority, Environmental Facilities Refunding Revenue Bonds (Series 2009B), 4.90% (Indianapolis, IN Power & Light Co.), 1/1/2016	1,011,039
	TOTAL	2,080,758
	Kansas 0.7%	
1,055,000	Butler County, KS Union School District No. 394, UT GO Bonds, 5.00% (FSA INS), 9/1/2020	1,146,405
	Kentucky 1.4%	
1,335,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.25% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.45%), 10/1/2012	1,384,248
665,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.25% (Norton Healthcare, Inc.)/(United States Treasury PRF 10/1/2010@101)/(Original Issue Yield: 6.45%), 10/1/2012	703,251
	TOTAL	2,087,499
	Louisiana 1.6%	
981,000	Lakeshore Villages Master Community Development District, LA, Special Assessment Bonds (Series 2007), 5.25% (Original Issue Yield: 5.378%), 7/1/2017	805,980
1,000,000	Louisiana Local Government Environmental Facilities Community Development Authority, Revenue Bonds, 5.375% (BRCC Facilities Corp.)/(National Public Finance Guarantee Corporation INS), 12/1/2014	1,074,680
635,000	West Feliciana Parish, LA, PCRBs, 7.00% (Entergy Gulf States Louisiana LLC), 11/1/2015	636,022
	TOTAL	2,516,682
	Maryland 10.0%	
13,500,000 ²	Maryland State, UT GO Bonds (Second Series 2008), 5.000%, 7/15/2022	15,381,765
	Michigan 2.5%	
2,000,000	Cornell Township MI, Economic Development Corp., Refunding Revenue Bonds, 5.875% (MeadWestvaco Corp.)/(United States Treasury PRF 5/1/2012@100), 5/1/2018	2,229,260
1,500,000	Michigan State Building Authority, Refunding Revenue Bonds (Series 2009I), 5.00% (Michigan State), 10/15/2016	1,636,560
	TOTAL	3,865,820
	Mississippi 0.6%	
1,000,000	Mississippi Hospital Equipment & Facilities Authority, Refunding & Improvement Revenue Bonds, 5.75% (Southwest Mississippi Regional Medical Center)/(Original Issue Yield: 5.85%), 4/1/2023	962,100
	Nevada 2.4%	
2,000,000	Clark County, NV, IDRBS (Series 2003C), 5.45% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,042,780

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$975,000	Las Vegas, NV, Local Improvement Special Assessment Bonds (Series 2004), 5.50% (Providence SID No. 607), 6/1/2013	922,174
815,000	North Las Vegas, NV SID No. 60, Subordinate LT Obligation Refunding Bonds (Series 2006B), 5.00% (Aliante SID No. 60)/(Original Issue Yield: 5.05%), 12/1/2017	730,713
	TOTAL	3,695,667
	New Jersey 0.3%	
500,000	New Jersey EDA, Refunding Revenue Bonds (Series A), 5.75% (Winchester Gardens at Ward Homestead)/(Original Issue Yield: 5.75%), 11/1/2024	498,980
255,556	³ New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.00% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.25%), 7/1/2013	26
	TOTAL	499,006
	New Mexico 2.5%	
1,000,000	Farmington, NM, Refunding Revenue Bonds (Series 2002A), 4.00% TOBs (El Paso Electric Co.)/(FGIC INS), Mandatory Tender 8/1/2012	1,000,440
655,000	Mariposa East Public Improvement District, NM, UT GO Bonds, Series 2006, 5.75%, 9/1/2021	555,040
2,000,000	New Mexico State, UT GO Capital Project Bonds, 5.00%, 3/1/2016	2,333,920
	TOTAL	3,889,400
	New York 7.6%	
305,000	Dutchess County, NY IDA, Civic Facility Revenue Bonds (Series 2004B), 7.25% (St. Francis Hospital and Health Centers), 3/1/2019	305,177
2,000,000	Dutchess County, NY IDA, Revenue Bonds, 5.00% (Marist College)/(Original Issue Yield: 5.15%), 7/1/2020	2,026,760
800,000	¹ New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.25% (7 World Trade Center LLC), 3/1/2015	791,048
2,000,000	New York City, NY, UT GO Bonds (Fiscal 2002 Series D), 5.00% (Original Issue Yield: 5.21%), 6/1/2017	2,089,500
2,000,000	New York State Dormitory Authority, Revenue Bonds (Series 2009C), 5.00% (School District Financing Program)/(Assured Guaranty Corp. INS), 10/1/2015	2,283,300
2,000,000	Tobacco Settlement Financing Corp., NY, (Series 2003B-1C), 5.50% (New York State), 6/1/2019	2,135,140
2,000,000	Tobacco Settlement Financing Corp., NY, Asset-Backed Revenue Bonds (Series 2003A-1), 5.25% (New York State)/(AMBAC INS), 6/1/2022	2,091,540
	TOTAL	11,722,465
	North Carolina 4.6%	
1,000,000	North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series D), 5.50%, 1/1/2014	1,094,630

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$965,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.50% (Arc of North Carolina Projects), 10/1/2024	930,800
3,000,000	North Carolina Municipal Power Agency No. 1, Electric Revenue Bonds (Series 2003A), 5.50%, 1/1/2014	3,341,280
1,500,000	North Carolina State, Public Improvement UT GO Bonds (Series 2005A), 5.00%, 3/1/2020	1,658,325
	TOTAL	7,025,035
	Ohio 2.4%	
2,000,000	Buckeye Tobacco Settlement Financing Authority, OH, Tobacco Settlement Asset-Backed Bonds (Series 2007A-2), 5.875% (Original Issue Yield: 5.95%), 6/1/2030	1,677,060
1,000,000	Cuyahoga, OH Community College District, General Receipts Revenue Bonds (Series 2002A), 5.00% (AMBAC INS), 12/1/2022	1,026,230
925,000	Ohio State Air Quality Development Authority, Environmental Improvement Refunding Revenue Bonds (Series 1995), 5.00% TOBs (Marathon Oil Corp.), Mandatory Tender 11/1/2011	971,102
	TOTAL	3,674,392
	Oregon 1.0%	
500,000	¹ Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	349,720
1,000,000	Yamhill County, OR Hospital Authority, Revenue Bonds, 6.50% (Friendsview Retirement Community)/(United States Treasury PRF 12/1/2013@101), 12/1/2018	1,198,330
	TOTAL	1,548,050
	Pennsylvania 12.1%	
1,090,000	Allegheny County, PA Hospital Development, Health System Revenue Bonds, (Series 2000B), 9.25% (West Penn Allegheny Health System)/(United States Treasury PRF 11/15/2010@102)/(Original Issue Yield: 9.30%), 11/15/2015	1,201,071
435,000	Allegheny County, PA IDA, Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.50% (United States Steel Corp.), 11/1/2016	428,475
1,000,000	Allegheny County, PA IDA, Environmental Improvement Refunding Revenue Bonds (Series 2009), 6.50% (United States Steel Corp.), 5/1/2017	1,013,410
12,000,000	² Commonwealth of Pennsylvania, UT GO Bonds 5.000%, 3/15/2025	13,274,160
1,000,000	Lancaster, PA Higher Education Authority, College Revenue Bonds, 5.00% (Franklin & Marshall College), 4/15/2019	1,083,760
1,500,000	Pennsylvania State Higher Education Facilities Authority, Health System Revenue Bonds (Series A), 6.25% (UPMC Health System), 1/15/2018	1,552,200
	TOTAL	18,553,076

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
South Carolina 2.1%		
\$1,000,000	Georgetown County, SC Environmental Improvements, Refunding Revenue Bonds (Series 2000A), 5.95% (International Paper Co.), 3/15/2014	1,036,980
2,000,000	Kershaw County, SC Public Schools Foundation, Installment Purchase Revenue Bonds (Series 2006), 5.00% (Kershaw County, SC School District)/(CIFG Assurance NA INS), 12/1/2019	2,134,820
	TOTAL	3,171,800
South Dakota 1.1%		
1,715,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.50%, 6/1/2032	1,637,173
Tennessee 0.8%		
1,000,000	Tennessee State, GO Bonds (Series 2009A), 5.00%, 5/1/2016	1,176,180
Texas 5.7%		
1,000,000	Abilene, TX HFDC, Retirement Facilities Revenue Bonds (Series 2003A), 6.50% (Sears Methodist Retirement), 11/15/2020	937,460
1,000,000	Brazos River Authority, TX, PCR Refunding Bonds (Series 2003D), 5.40% TOBs (Texas Competitive Electric Holdings Co. LLC), Mandatory Tender 10/1/2014	638,380
1,000,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 6.50% (Wise Regional Health System), 9/1/2014	1,047,170
1,000,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.00%, 7/1/2018	1,110,380
390,000	Montgomery County, TX, UT GO Bonds (Series 2002A), 5.20% (FSA INS)/(Original Issue Yield: 5.29%), 3/1/2021	416,454
165,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2006), 4.95% (Southwestern Electric Power Co.)/(National Public Finance Guarantee Corporation INS), 3/1/2018	170,221
545,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Retirement Facility Revenue Bonds (Series 2007), 5.00% (Air Force Village), 5/15/2016	537,397
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, Series 2006A, 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2026	459,615
1,000,000	Tyler, TX HFDC, Hospital Revenue Bonds, 5.25% (Mother Frances Hospital), 7/1/2012	1,025,930
2,235,000	West Harris County, TX Regional Water Authority, Water System Revenue Bonds (Series 2006), 5.00% (AMBAC INS), 12/15/2021	2,378,554
	TOTAL	8,721,561

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
Virginia 2.3%		
\$187,000	Bell Creek CDA, VA, Special Assessment Revenue Bonds (Series 2003), 6.75%, 3/1/2022	168,119
1,000,000	Broad Street Community Development Authority, VA, Revenue Bonds, 7.10% (Original Issue Yield: 7.15%), 6/1/2016	994,060
1,000,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.50%), 12/1/2023	1,224,920
1,000,000	Virginia Public Schools Authority, School Financing Bonds (1997 Resolution) (Series 2009B), 5.00%, 8/1/2016	1,169,740
	TOTAL	3,556,839
Washington 1.3%		
500,000	Skagit County, WA Public Hospital District No. 1, Refunding Revenue Bonds (Series 2003), 6.00% (Skagit Valley Hospital), 12/1/2018	507,620
1,490,000	Tobacco Settlement Authority, WA, Tobacco Settlement Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.65%), 6/1/2026	1,505,362
	TOTAL	2,012,982
Wisconsin 2.4%		
200,000	Wisconsin State HEFA, Revenue Bonds (Series 2004), 5.50% (Blood Center of Wisconsin, Inc.)/(Original Issue Yield: 5.583%), 6/1/2024	204,634
500,000	Wisconsin State HEFA, Revenue Bonds (Series 2004A), 6.125% (Southwest Health Center)/(Original Issue Yield: 6.15%), 4/1/2024	502,115
2,000,000	Wisconsin State HEFA, Revenue Bonds, 5.75% (SynergyHealth, Inc.), 11/15/2015	2,134,260
830,000	Wisconsin State HEFA, Revenue Bonds, 7.125% (Community Memorial Hospital)/(Original Issue Yield: 7.25%), 1/15/2022	811,184
	TOTAL	3,652,193
	TOTAL MUNICIPAL BONDS	149,684,274
	(IDENTIFIED COST \$146,677,284)	
	Short-Term Municipals 2.4%;4	
Michigan 1.4%		
2,200,000	Michigan State Hospital Finance Authority, (Series 1999 A) Weekly VRDNs (Covenant Retirement Communities, Inc.)/(Bank of America N.A. LOC), 0.260%, 12/3/2009	2,200,000
Pennsylvania 1.0%		
1,250,000	Philadelphia, PA Authority for Industrial Development Daily VRDNs (Newcourtland Elder Services)/(PNC Bank, N.A. LOC), 0.210%, 12/1/2009	1,250,000

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Principal Amount		Value
\$300,000	Philadelphia, PA Hospitals & Higher Education Facilities Authority, (Series 2002-B) Daily VRDNs (Children's Hospital of Philadelphia)/(JPMorgan Chase Bank, N.A. LIQ), 0.190%, 12/1/2009	300,000
	TOTAL	1,550,000
	TOTAL SHORT-TERM MUNICIPALS (AT AMORTIZED COST)	3,750,000
	TOTAL MUNICIPAL INVESTMENTS — 100.0% (IDENTIFIED COST \$150,427,284) ⁵	153,434,274
	OTHER ASSETS AND LIABILITIES — NET	(17,936,392)
	LIQUIDATION VALUE OF AUCTION PREFERRED SHARES	(41,900,000)
	TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$93,597,882

- At November 30, 2009 the Fund held no securities that are subject to the federal alternative minimum tax (AMT).
- Note: The categories of investments are shown as a percentage of total net assets at November 30, 2009.
- Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:
- Level 1 — quoted prices in active markets for identical securities
- Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)
- The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

- The following is a summary of the inputs used, as of November 30, 2009, in valuing the Fund's assets carried at fair value:

Valuation Inputs

	Level 1 — Quoted Prices and Investments in Mutual Funds	Level 2 — Other Significant Observable Inputs	Level 3 — Significant Unobservable Inputs	Total
Debt Securities:				
Municipal Bonds	\$ —\$149,684,274		\$ —\$149,684,274	
Short-Term Municipals	—	3,750,000	—3,750,000	
TOTAL SECURITIES	\$ —\$153,434,274		\$ —\$153,434,274	

- The following acronyms are used throughout this portfolio:

AMBAC	— American Municipal Bond Assurance Corporation
CDA	— Community Development Authority
COP	— Certificate of Participation
EDA	— Economic Development Authority
EDFA	— Economic Development Finance Authority
FGIC	— Financial Guaranty Insurance Company
FSA	— Financial Security Assurance
GO	— General Obligation
HEFA	— Health and Education Facilities Authority
HFDC	— Health Facilities Development Corporation
IDA	— Industrial Development Authority
IDB	— Industrial Development Bond
IDRBs	— Industrial Development Revenue Bonds
INS	— Insured
LIQ	— Liquidity Agreement
LO	— Limited Obligation
LOC(s)	— Letter(s) of Credit
LT	— Limited Tax
PCR	— Pollution Control Revenue
PCRBs	— Pollution Control Revenue Bonds
PRF	— Prerefunded
SID	— Special Improvement District
TOBs	— Tender Option Bonds
UT	— Unlimited Tax
VRDNs	— Variable Rate Demand Notes

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Statements of Assets and Liabilities

November 30, 2009

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Assets:		
Total investments in securities, at value	\$135,202,988	\$153,434,274
Cash	16,500	49,652
Income receivable	2,040,683	2,293,394
Receivable for investments sold	—	5,150
TOTAL ASSETS	137,260,171	155,782,470
Liabilities:		
Payable for floating rate certificate securities (Note 2)	17,100,000	19,125,000
Payable for investments purchased	1,523,475	540,790
Income distribution payable — Common Shares	553,424	549,344
Income distribution payable — Preferred Shares	4,693	635
Payable for Directors'/Trustees' fees	2,604	2,621
Accrued expenses	58,218	66,198
TOTAL LIABILITIES	19,242,414	20,284,588
Auction Market Preferred Shares (1,463 and 1,676 shares, respectively, authorized and issued at \$25,000 per share)	\$36,575,000	\$41,900,000
Net Assets Applicable to Common Shares Consist of:		
Paid-in capital	\$87,139,845	\$98,564,352
Net unrealized appreciation of investments	265,481	3,006,990
Accumulated net realized loss on investments	(6,633,813)	(8,432,293)
Undistributed net investment income	671,244	458,833
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES	\$81,442,757	\$93,597,882
Common Shares Outstanding, (\$0.01 par value, unlimited shares authorized)	6,148,789	6,953,476
Net asset value per share	\$13.25	\$13.46
Investments, at identified cost	\$134,937,507	\$150,427,284

• See Notes which are an integral part of the Financial Statements

Statements of Operations

Year Ended November 30, 2009

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Investment Income:		
Interest	\$7,427,083	\$7,427,458
Expenses:		
Investment adviser fee (Note 5)	\$627,727	\$730,121
Administrative personnel and services fee (Note 5)	150,000	150,000
Custodian fees	4,956	4,933
Transfer and dividend disbursing agent fees and expenses	34,371	34,149
Directors'/Trustees' fees	12,636	12,779
Auditing fees	42,908	43,209
Legal fees	5,498	8,684
Portfolio accounting fees	75,654	77,408
Printing and postage	21,741	22,878
Insurance premiums	4,083	4,106
Auction agent fees	6,501	6,501
Trailer commission fees (Note 2)	100,214	113,330
Interest and trust expenses (Note 2)	131,616	164,124
Miscellaneous	71,942	72,577
TOTAL EXPENSES	1,289,847	1,444,799
Waivers and Reimbursement (Note 5):		
Waiver of investment adviser fee	\$(118,724)	\$(138,306)
Waiver of administrative personnel and services fee	(150,000)	(150,000)
Reimbursement of other operating expenses	(151,207)	(92,292)
TOTAL WAIVERS AND REIMBURSEMENT	(419,931)	(380,598)
Net expenses	869,916	1,064,201
Net investment income	6,557,167	6,363,257
Realized and Unrealized Gain (Loss) on Investments:		

Edgar Filing: FEDERATED PREMIER MUNICIPAL INCOME FUND - Form N-CSR

Net realized loss on investments	(2,789,157)	(4,052,217)
Net change in unrealized depreciation of investments	15,896,294	14,846,199
Net realized and unrealized gain on investments	13,107,137	10,793,982
Income distributions declared to Preferred Shareholders	(143,262)	(161,038)
Change in net assets resulting from operations applicable to common shares	\$19,521,042	\$16,996,201

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Statements of Changes in Net Assets

Year Ended November 30	Federated Premier Municipal Income Fund		Federated Premier Intermediate Municipal Income Fund	
	2009	2008	2009	2008
Increase (Decrease) in Net Assets				
Operations:				
Net investment income	\$6,557,167	\$6,837,312	\$6,363,257	\$6,771,960
Net realized loss on investments	(2,789,157)	(1,660,730)	(4,052,217)	(948,465)
Net change in unrealized appreciation/depreciation of investments	15,896,294	(20,364,198)	14,846,199	(15,016,855)
Distributions from net investment income — Preferred Shares	(143,262)	(1,510,335)	(161,038)	(1,675,137)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS APPLICABLE TO COMMON SHARES	19,521,042	(16,697,951)	16,996,201	(10,868,497)
Distributions to Common Shareholders:				
Distributions from net investment income — Common Shares	(6,209,927)	(4,932,705)	(6,139,077)	(4,793,417)
Share Transactions Applicable to Common Shares:				
Net asset value of shares issued to shareholders in payment of distributions declared	141,293	92,689	85,482	—
CHANGE IN NET ASSETS RESULTING FROM SHARE TRANSACTIONS	141,293	92,689	85,482	—
Change in net assets	13,452,408	(21,537,967)	10,942,606	(15,661,914)
Net Assets Applicable to Common Shares:				
Beginning of period	67,990,349	89,528,316	82,655,276	98,317,190
End of period	\$81,442,757	\$67,990,349	\$93,597,882	\$82,655,276
Undistributed net investment income included at end of period	\$671,244	\$458,085	\$458,833	\$366,512

- See Notes which are an integral part of the Financial Statements

Annual Shareholder Report

Notes to Financial Statements

November 30, 2009

1. ORGANIZATION

Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund (individually referred to as the “Fund”, or collectively as the “Funds”) are registered under the Investment Company Act of 1940, as amended (the “Act”), as diversified, closed-end management investment companies. Each Fund's investment objective is to provide current income exempt from federal income tax, including the federal AMT.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with U.S. generally accepted accounting principles (GAAP).

Investment Valuation

In calculating its net asset value (NAV), each Fund generally values investments as follows:

- Fixed-income securities acquired with remaining maturities greater than 60 days are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- Fixed-income securities acquired with remaining maturities of 60 days or less are valued at their cost (adjusted for the accretion of any discount or amortization of any premium).
- Shares of other mutual funds are valued based upon their reported NAVs.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Trustees.

If the Funds cannot obtain a price or price evaluation from a pricing service for an investment, the Funds may attempt to value the investment based upon the mean of bid and asked quotations or fair value the investment based on price evaluations, from one or more dealers. If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, the Funds use the fair value of the investment determined in accordance with the procedures described below. There can be no assurance that the Funds could purchase or sell an investment at the price used to calculate each Fund's NAV.

Fair Valuation and Significant Events Procedures

The Trustees have authorized the use of pricing services to provide evaluations of the current fair value of certain investments for purposes of calculating the NAV. Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of the market for an investment (a “bid” evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a “mid” evaluation). The Funds normally use bid evaluations for U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Funds normally use mid evaluations for other types of fixed-income securities and OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

The Trustees also have adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to price evaluations of fixed-income securities determined before the close of regular trading on the NYSE, actions by the Federal Reserve Open Market Committee and other significant trends in U.S. fixed-income markets;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded; and
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Funds may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Funds will determine the fair value of the investment using another method approved by the Trustees.

Investment Income, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Non-cash dividends included in dividend income, if any, are recorded at fair value. Distributions to common shareholders are recorded on the ex-dividend date and are declared and paid monthly. Distributions to preferred shareholders are recorded daily and paid weekly at a rate set through auction procedures or under each Fund's Statement of Preferences. The dividend rate to preferred shareholders for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund at November 30, 2009, was 0.155% and 0.166%, respectively.

Each auction requires the participation of one or more Broker-Dealers. The auction agent, currently Deutsche Bank Trust Company Americas, will enter into agreements with one or more Broker-Dealers selected by the Funds, which provide for the participation of those Broker-Dealers in auctions for preferred shares. The auction agent will pay each Broker-Dealer after each auction, from funds provided by the Funds. The trailer commissions for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund for the year ended November 30, 2009 were \$100,214 and \$113,330, respectively.

Premium and Discount Amortization

All premiums and discounts on fixed-income securities are amortized/accreted for financial statement purposes.

Federal Taxes

It is each Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the year ended November 30, 2009, the Funds did not have a liability for any uncertain tax positions. The Annual Shareholder Report

Funds recognize interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of November 30, 2009, tax years 2006 through 2009 remain subject to examination by the Funds' major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed Delivery Transactions

The Funds may engage in when-issued or delayed delivery transactions. The Funds record when-issued securities on the trade date and maintain security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

Inverse Floater Structures

The Funds may participate in Inverse Floater Structures in which fixed-rate, tax-exempt municipal bonds purchased by the Funds are transferred to a trust. The trust subsequently issues two or more variable rate securities that are collateralized by the cash flows of the fixed-rate, tax-exempt municipal bonds. One or more of these variable-rate securities pays interest based on a floating rate set by a remarketing agent at predetermined intervals. A residual-interest tax-exempt security, which is transferred to the Funds, is also created by the trust and pays interest based on the remaining cash flow of the trust, after payment of interest on the other securities and various expenses of the trust.

The Funds account for the transfer of bonds to the trusts as secured borrowings, with the securities transferred remaining in the Funds' investments, and the related floating rate notes reflected as Fund liabilities under the caption, "Payable for floating rate certificate securities" in the Statements of Assets and Liabilities. At November 30, 2009, for Federated Premier Municipal Income Fund investments with a value of \$24,092,748 are held by the trust and serve as collateral for the \$17,100,000 in floating-rate certificate securities outstanding at that date, and for Federated Premier Intermediate Municipal Income Fund investments with a value of \$28,655,925 are held by the trust and serve as collateral for the \$19,125,000 in floating-rate certificate securities outstanding at that date. The Federated Premier Municipal Income Fund and the Federated Premier Intermediate Municipal Income Fund recorded interest and trust expenses of \$131,616 and \$164,124, respectively, for these investments for the year ended November 30, 2009.

While these inverse floater structures are accounted for as secured borrowings, the Funds' Adviser has determined that they do not constitute borrowings for purposes of any fundamental limitation on borrowings that may be applicable to the Funds.

Restricted Securities

The Funds may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Funds or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid

Annual Shareholder Report

under criteria established by the Trustees. The Funds will not incur any registration costs upon such resales. The Funds' restri