

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

NUVEEN PREMIUM INCOME MUNICIPAL FUND INC
Form N-CSR
January 07, 2008

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-05570

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, 2007

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.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT
October 31, 2007

Nuveen Investments
MUNICIPAL CLOSED-END FUNDS

Photo of: Small child

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND, INC.
NPI

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND 2, INC.
NPM

NUVEEN PREMIUM
INCOME MUNICIPAL
FUND 4, INC.
NPT

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

LOGO: NUVEEN Investments

Photo of: Man working on computer

LIFE IS COMPLEX.
NUVEEN
MAKES THINGS
E-simple.

It only takes a minute to sign up for e-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Investments Fund information is ready--no more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report and save it on your computer if you wish.

FREE E-REPORTS RIGHT TO YOUR E-MAIL!

www.investordelivery.com
If you receive your Nuveen Fund dividends and statements from your financial advisor or brokerage account.

OR

www.nuveen.com/accountaccess
If you receive your Nuveen Fund dividends and statements directly from Nuveen.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger

Chairman's
LETTER TO SHAREHOLDERS

Timothy R. Schwertfeger
Chairman of the Board

Once again, I am pleased to report that over the twelve-month period covered by this report your Fund continued to provide you with attractive monthly tax-free income. For more details about the management strategy and performance of your Fund, please read the Portfolio Manager's Comments, the Dividend and Share Price Information, and the Performance Overview sections of this report.

I also wanted to take this opportunity to report some important news about Nuveen Investments. The firm recently was acquired by a group led by Madison Dearborn Partners, LLC. While this affects the corporate structure of Nuveen Investments, it has no impact on the investment objectives, portfolio management strategies or dividend policy of your Fund.

With the recent volatility in the stock market, many have begun to wonder which way the market is headed, and whether they need to adjust their holdings of investments. No one knows what the future will bring, which is why we think a well-balanced portfolio that is structured and carefully monitored with the help of an investment professional is an important component in achieving your long-term financial goals. A well-diversified portfolio may actually help to reduce your overall investment risk, and we believe that investments like your Nuveen Investments Fund can be important building blocks in a portfolio crafted to perform well through a variety of market conditions.

We also are pleased to be able to offer you a choice concerning how you receive your shareholder reports and other Fund information. As an alternative to mailed copies, you can sign up to receive future Fund reports and other Fund information by e-mail and the internet. The inside front cover of this report contains information on how you can sign up.

We are grateful that you have chosen us as a partner as you pursue your financial goals and we look forward to continuing to earn your trust in the months and years ahead. At Nuveen Investments, our mission continues to be to assist you and your financial advisor by offering investment services and products that can help you to secure your financial objectives.

Sincerely,

Timothy R. Schwertfeger
Chairman of the Board
December 14, 2007

Portfolio Manager's COMMENTS

Nuveen Investments Municipal Closed-End Funds
NPI, NPM, NPT

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Portfolio manager Paul Brennan discusses U.S. economic and municipal market conditions, key investment strategies, and the annual performance of these three national Funds. Paul has 18 years of industry experience, including over 16 years at Nuveen. Paul assumed portfolio management responsibility for NPI, NPM and NPT in 2006.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE ANNUAL REPORTING PERIOD ENDED OCTOBER 31, 2007?

Between November 1, 2006, and October 31, 2007, the yield on the benchmark 10-year U.S. Treasury note dropped 14 basis points to end the reporting period at 4.47%. In the municipal bond market, the yield on the Bond Buyer 25 Revenue Bond Index, a widely followed measure of longer-term municipal bond rates, fell to 4.67% at the end of October 2007, a decline of 11 basis points from the end of October 2006. These numbers, however, do not give a true indication of the events of the summer of 2007, when developments in the credit markets led to increased volatility, tightening liquidity and a flight to quality. This was particularly evident in August, when market concerns about defaults on subprime mortgages resulted in a liquidity crisis across all fixed income asset classes. (None of these Funds had exposure to the collateralized debt products that were at the center of this liquidity crisis.)

After fourteen months of remaining on the sidelines, the Federal Reserve responded to credit market volatility by cutting the fed funds rate by 50 basis points--from 5.25% to 4.75%--in September 2007 and another 25 basis points--to 4.50%--in October 2007. A corresponding decline in short-term municipal bond interest rates, coupled with a jump in longer-term municipal interest rates, produced a steepening of the yield curve late in the reporting period. For the annual period, bonds with longer maturities generally underperformed shorter maturity bonds. In addition, as the markets repriced risk, higher quality bonds generally outperformed lower quality credits.

Discussions of specific investments are for illustrative purposes only and are not intended as recommendations of individual investments. The views expressed in this commentary represent those of the portfolio manager as of the date of this report and are subject to change at any time, based on market conditions and other factors. The Funds disclaim any obligation to advise shareholders of such changes.

4

The U.S. gross domestic product (GDP), a closely watched measure of economic growth, expanded moderately at 2.1% in the fourth quarter of 2006 and 0.6% in the first quarter of 2007 before rebounding sharply to 3.8% in the second quarter of 2007 (all GDP numbers are annualized). In the third quarter of 2007, increases in consumer spending, business investment, and exports helped GDP growth climb to 4.9%, overcoming a 20% decline in residential investment. Driven largely by higher energy and food prices, the Consumer Price Index (CPI) registered a 3.5% year-over-year gain as of October 2007. The labor market continued to be tight, with a national unemployment rate of 4.7% in October 2007, up from 4.4% in October 2006. October 2007 marked the 50th consecutive month of employment growth, the longest such stretch in U.S. history.

Over the twelve months ended October 2007, municipal bond issuance nationwide totaled \$487.9 billion, an increase of 27% from the previous twelve months. One

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

factor in this increased volume was an increase in advance refundings,¹ driven by attractive borrowing rates for issuers during the earlier part of this period. For the majority of the period, the strength and diversity of demand for municipal bonds were as important as supply, as the surge in issuance was absorbed by a broad-based universe of traditional and nontraditional buyers, including retail investors, property and casualty insurance companies, hedge funds and arbitragers and overseas investors.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THIS REPORTING PERIOD?

With the substantial increase in municipal issuance nationwide during this reporting period, our investment strategies continued to focus on finding opportunities in undervalued sectors and individual securities with the potential to add value to the Funds. The majority of our purchases were bonds at the longer end of the yield curve. As the yield curve steepened, bonds in this part of the curve generally offered some incremental yield to support the Funds' dividends. These purchases also helped to offset the shortening of the Funds' portfolio durations due to bond calls and the natural tendency of bond durations to shorten as time passes.

¹ Advance refundings, also known as pre-refundings or refinancings, occur when an issuer sells new bonds and uses the proceeds to fund principal and interest payments of older existing bonds. This process often results in lower borrowing costs for bond issuers.

5

During this period, a number of uninsured health care credits--mostly rated AA--came to market at we believed to be very attractive prices. As lower-quality credits began to underperform the market, we believed that these AA rated credits, provided us with an opportunity to add both quality and attractive yields that could help to support the Funds' income streams. Consequently, we added a number of these new hospital issues to all three of the Funds. We also participated in the \$5.5 billion Ohio Buckeye Tobacco Settlement Financing Authority's offering, the largest tobacco settlement financing deal ever issued. Tobacco bonds in general were being offered at attractive prices, and we added some additional tobacco credits from other issuers in order to bring the Funds' tobacco exposure closer to the market average.

To generate cash for purchases, we generally sold bonds that were nearing their redemption dates, particularly some of the Funds' pre-refunded holdings. The proceeds from these sales were reinvested out longer on the yield curve, which helped to maintain the Funds' portfolio durations within our preferred strategic range and improve the Funds' overall call protection profile.

In the municipal bond interest rate environment over the past twelve months, we also continued to emphasize a disciplined approach to duration² management and yield curve positioning. As part of our duration management strategy, we used inverse floating rate securities,³ a type of derivative financial instrument, in all three of these Funds. These inverse floaters had the dual benefit of bringing the Funds' durations closer to our preferred strategic target and enhancing their income-generation capabilities. In addition, both NPI and NPM used forward interest rate swaps, another type of derivative financial instrument. The goal of this strategy was to help us manage volatility in net asset value (NAV) without having a negative impact on income streams or common share dividends over the short term. NPT did not use this strategy, as we

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

believed its duration was better positioned relative to the general market.

2 Duration is a measure of a bond's price sensitivity as interest rates change, with longer duration bonds displaying more sensitivity to these changes than bonds with shorter durations.

3 An inverse floating rate security 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 the reporting period, are further defined within the "Notes to Financial Statements" and "Glossary of Terms Used in This Report" sections of this shareholder report.

6

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.

Total Returns on Net Asset Value*
For periods ended 10/31/07

| | 1-Year | 5-Year | 10-Year |
|---|--------|--------|---------|
| NPI | 0.93% | 5.70% | 5.59% |
| NPM | 0.71% | 5.65% | 5.72% |
| NPT | 1.25% | 5.53% | 4.90% |
| Lehman Brothers Municipal Bond Index ⁴ | 2.91% | 4.46% | 5.29% |
| Lipper General Leveraged Municipal Debt Funds Average ⁵ | 0.70% | 6.31% | 5.76% |

For the twelve months ended October 31, 2007, the total returns on NAV for all three of the Funds in this report underperformed the return on the Lehman Brothers Municipal Bond Index. All three Funds exceeded the average return for the Lipper General Leveraged Municipal Debt Funds Average.

One of the key factors in the performance of these Funds relative to that of the unleveraged Lehman Brothers Municipal Bond Index over this period was the use of financial leverage. The returns of all of these Funds were negatively impacted by their use of leverage. Although leveraging provides opportunities for additional income and total returns for common shareholders, it can also expose shareholders to additional risk when market conditions are unfavorable. With the increases in yields on longer municipal bonds, the impact of valuation changes in these bonds was magnified by the use of leverage. However, we firmly believe that the use of this strategy should work to the benefit of the Funds over the long term. This is demonstrated by the longer-term return performances--both in absolute terms and relative to the Lehman Brothers Municipal Bond Index--of these Funds.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

*Annualized.

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.

4 The Lehman Brothers Municipal Bond Index is an unleveraged, unmanaged national index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.

5 The Lipper General Leveraged Municipal Debt Funds Average category is calculated using the returns of all closed-end funds in this category for each period as follows: 1 year, 54 funds; 5 years, 52 funds and 10 years, 38 funds. Fund and Lipper returns assume reinvestment of dividends.

7

Other factors that influenced the Funds' returns included yield curve positioning and duration management, the use of derivatives, credit exposure and sector allocations.

During this twelve month period, bonds in the Lehman Brothers Municipal Bond Index with maturities between one and eight years, especially those maturing in approximately three years, benefited the most from changes in the interest rate environment. As a result, these bonds generally outperformed credits with longer maturities. Bonds having the longest maturities (22 years and longer) posted the worst returns for the period. In general, the varying levels of exposure to the longer part of the yield curve among these Funds constituted a major factor in their performance relative to one another. NPI and NPM tended to be more heavily weighted in the longer part of the curve than NPT. This heavier weighting was the result of extending the maturities of these Funds as part of efforts to support their earnings.

Because they effectively increased exposure to longer maturity bonds during a period when shorter maturities were in favor in the market, the inverse floaters in place in these three Funds had a negative overall impact on return performance for the period. At the same time, however, the inverse floaters benefited these Funds by helping to support their income streams. We believe that, over time, these derivative financial instruments will work to the advantage of the Funds.

While yield curve and duration positioning played an important role in performance, especially during the last part of this period, credit exposure was also a dominant factor. As the markets repriced risk and interest rates on longer municipal bonds rose during this period, lower credit quality bonds generally underperformed the municipal bond interest rate market as a whole for the first time in several years. The Funds' weightings in bonds rated AAA and AA were generally positive for performance and overall, NPT was slightly better positioned than NPI and NPM in terms of credit quality.

8

Bonds backed by the 1998 master tobacco settlement agreement also performed poorly during this period, due to the overall lower credit quality of the tobacco sector as well as the ample supply of these bonds in the marketplace. As of October 31, 2007, these bonds comprised approximately 5% of the portfolios of NPI and NPM, and 4.35% of NPT.

Sectors of the market that performed well included transportation credits, special tax-backed issues and water and sewer bonds. Pre-refunded bonds, especially those that were advance refunded before longer municipal interest rates began to rise in mid-2007, also performed well.

9

Dividend and Share Price
INFORMATION

As previously noted, all three of the Funds in this report use leverage to potentially enhance opportunities for additional income for common shareholders. Although the Funds' use of this strategy continued to provide incremental income, the extent of this benefit was reduced due to short-term interest rates that remained relatively high during most of this period. This, in turn, kept the Funds' borrowing costs high. The Funds' income streams were also impacted as the proceeds from older, higher-yielding bonds that matured or were called were reinvested into bonds currently available in the market, which generally offered lower yields during the majority of this period. These factors resulted in two monthly dividend reductions in NPT over the twelve-month period ended October 31, 2007. The dividends of NPI and NPM remained stable throughout this reporting period.

Due to normal portfolio activity, common shareholders of NPM received a long-term capital gains distribution of \$0.0172 per share at the end of December 2006.

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, 2007, NPI and NPM had positive UNII balances for both financial statement and tax purposes, while NPT had a negative UNII balance for financial statement purposes and a positive UNII balance for tax purposes.

10

SHARE REPURCHASE AND SHARE PRICE INFORMATION

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

On July 10, 2007, NPM's Board of Directors approved an open market share repurchase program for NPM. This was part of a broad, ongoing effort designed to support the market prices of the Fund's common shares. Repurchases not only help to support the market price but, because such purchases are made at a discount to NAV, they have the effect of augmenting NAV. Under the terms of the program, NPM may repurchase up to 10% of its outstanding common shares. As of October 31, 2007, NPM had repurchased 292,700 common shares, representing 1% of the Fund's total common shares outstanding.

As of October 31, 2007, the Funds' share prices were trading at discounts to their NAVs as shown in the accompanying chart:

| | 10/31/07 Discount | Twelve Month Average Discount |
|-----|----------------------|----------------------------------|
| NPI | -9.89% | - 6.58% |
| NPM | -10.77% | - 7.60% |
| NPT | -10.97% | - 6.42% |

11

NPI
Performance
OVERVIEW

Nuveen Premium
Income Municipal
Fund, Inc.

as of October 31, 2007

Pie Chart:

Credit Quality (as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 65% |
| AA | 13% |
| A | 10% |
| BBB | 9% |
| BB or Lower | 1% |
| N/R | 2% |

Bar Chart:

2006-2007 Monthly Tax-Free Dividends Per Share

| | |
|-----|-------|
| Nov | 0.059 |
| Dec | 0.059 |
| Jan | 0.059 |
| Feb | 0.059 |
| Mar | 0.059 |
| Apr | 0.059 |
| May | 0.059 |
| Jun | 0.059 |
| Jul | 0.059 |
| Aug | 0.059 |
| Sep | 0.059 |
| Oct | 0.059 |

Line Chart:

Share Price Performance -- Weekly Closing Price

| | |
|----------|-------|
| 11/01/06 | 14.17 |
| | 14.37 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

14.34
 14.2
 14.14
 14.43
 14.4
 14.16
 14.26
 14.2
 14.21
 14.24
 14.3
 14.24
 14.34
 14.42
 14.4
 14.34
 14.45
 14.66
 14.58
 14.45
 14.43
 14.43
 14.3
 14.34
 14.34
 14.41
 14.31
 14.33
 14.21
 14.2
 13.82
 13.63
 13.66
 13.8
 13.83
 13.61
 13.6
 13.55
 13.5
 13.3
 13.23
 13.41
 13.48
 13.95
 13.68
 13.59
 13.61
 13.61
 13.42
 13.36
 13.12
 13.3

10/31/07

FUND SNAPSHOT

| | |
|---------------------------|---------|
| ----- | |
| Common Share Price | \$13.30 |
| ----- | |
| Common Share | |
| Net Asset Value | \$14.76 |
| ----- | |
| Premium/(Discount) to NAV | -9.89% |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|---|-----------|
| Market Yield | 5.32% |
| Taxable-Equivalent Yield(1) | 7.39% |
| Net Assets Applicable to Common Shares (\$000) | \$941,220 |
| Average Effective Maturity on Securities (Years) | 15.92 |
| Leverage-Adjusted Duration | 11.17 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | -1.02% | 0.93% |
| 5-Year | 4.97% | 5.70% |
| 10-Year | 5.35% | 5.59% |

STATES
(as a % of total investments)

| | |
|----------------------|-------|
| California | 11.7% |
| New York | 11.3% |
| Texas | 9.4% |
| Illinois | 7.7% |
| New Jersey | 4.9% |
| South Carolina | 4.1% |
| Florida | 3.5% |
| Minnesota | 3.1% |
| Massachusetts | 3.0% |
| Colorado | 2.9% |
| Nevada | 2.7% |
| Pennsylvania | 2.7% |
| Michigan | 2.7% |
| Alabama | 2.5% |
| Louisiana | 2.3% |
| District of Columbia | 2.2% |
| Washington | 2.2% |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|-----------|-------|
| Wisconsin | 2.1% |
| Other | 19.0% |

INDUSTRIES

(as a % of total investments)

| | |
|------------------------|-------|
| U.S. Guaranteed | 21.2% |
| Tax Obligation/Limited | 14.9% |
| Health Care | 13.9% |
| Tax Obligation/General | 12.5% |
| Transportation | 12.2% |
| Utilities | 6.1% |
| Consumer Staples | 4.2% |
| Other | 15.0% |

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

NPM
Performance
OVERVIEW

Nuveen Premium
Income Municipal
Fund 2, Inc.

as of October 31, 2007

Pie Chart:
Credit Quality (as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 62% |
| AA | 12% |
| A | 12% |
| BBB | 10% |
| BB or Lower | 1% |
| N/R | 3% |

Bar Chart:
2006-2007 Monthly Tax-Free Dividends Per Share(2)

| | |
|-----|--------|
| Nov | 0.0575 |
| Dec | 0.0575 |
| Jan | 0.0575 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|-----|--------|
| Feb | 0.0575 |
| Mar | 0.0575 |
| Apr | 0.0575 |
| May | 0.0575 |
| Jun | 0.0575 |
| Jul | 0.0575 |
| Aug | 0.0575 |
| Sep | 0.0575 |
| Oct | 0.0575 |

Line Chart:

Share Price Performance -- Weekly Closing Price

| | |
|----------|---------|
| 11/01/06 | 14.07 |
| | 14 |
| | 14.02 |
| | 13.98 |
| | 14.03 |
| | 14.22 |
| | 14.23 |
| | 13.95 |
| | 13.96 |
| | 14.05 |
| | 14.18 |
| | 14.16 |
| | 14.14 |
| | 14.04 |
| | 14.11 |
| | 14.13 |
| | 14.34 |
| | 14.52 |
| | 14.64 |
| | 14.6 |
| | 14.4056 |
| | 14.32 |
| | 14.33 |
| | 14.43 |
| | 14.45 |
| | 14.43 |
| | 14.4 |
| | 14.43 |
| | 14.39 |
| | 14.25 |
| | 14.1 |
| | 14.03 |
| | 13.77 |
| | 13.58 |
| | 13.72 |
| | 13.88 |
| | 13.8 |
| | 13.61 |
| | 13.82 |
| | 13.66 |
| | 13.75 |
| | 13.41 |
| | 13.28 |
| | 13.42 |
| | 13.5 |
| | 13.76 |
| | 13.7 |
| | 13.49 |
| | 13.46 |
| | 13.45 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|----------|-------|
| | 13.32 |
| | 13.35 |
| | 13.2 |
| 10/31/07 | 13.25 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$13.25 |
| Common Share Net Asset Value | \$14.85 |
| Premium/(Discount) to NAV | -10.77% |
| Market Yield | 5.21% |
| Taxable-Equivalent Yield(1) | 7.24% |
| Net Assets Applicable to Common Shares (\$000) | \$605,817 |
| Average Effective Maturity on Securities (Years) | 15.92 |
| Leverage-Adjusted Duration | 11.07 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | -0.81% | 0.71% |
| 5-Year | 4.92% | 5.65% |
| 10-Year | 5.04% | 5.72% |

STATES

(as a % of total investments)

| | |
|----------------|-------|
| Illinois | 10.3% |
| California | 10.1% |
| New York | 9.7% |
| Texas | 7.8% |
| South Carolina | 6.1% |
| Washington | 5.8% |
| Massachusetts | 4.1% |
| New Jersey | 4.0% |
| Louisiana | 3.8% |
| Alabama | 3.1% |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|-----------|-------|
| Ohio | 2.8% |
| Minnesota | 2.6% |
| Missouri | 2.6% |
| Michigan | 2.5% |
| Oklahoma | 2.2% |
| Nevada | 2.2% |
| Florida | 2.1% |
| Other | 18.2% |

INDUSTRIES
(as a % of total investments)

| | |
|--------------------------------------|-------|
| Tax Obligation/General | 16.9% |
| Health Care | 16.1% |
| Tax Obligation/Limited | 15.6% |
| U.S. Guaranteed | 15.5% |
| Utilities | 10.1% |
| Transportation | 7.4% |
| Education and Civic Organizations | 4.9% |
| Other | 13.5% |

- 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 The Fund paid shareholders a capital gains distribution in December 2006 of \$0.0172 per share.

NPT
Performance
OVERVIEW

Nuveen Premium
Income Municipal
Fund 4, Inc.

as of October 31, 2007

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Pie Chart:

Credit Quality (as a % of total investments)

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 73% |
| AA | 10% |
| A | 8% |
| BBB | 5% |
| BB or Lower | 2% |
| N/R | 2% |

Bar Chart:

2006-2007 Monthly Tax-Free Dividends Per Share

| | |
|-----|--------|
| Nov | 0.0545 |
| Dec | 0.0545 |
| Jan | 0.0545 |
| Feb | 0.0545 |
| Mar | 0.0545 |
| Apr | 0.0545 |
| May | 0.0545 |
| Jun | 0.0515 |
| Jul | 0.0515 |
| Aug | 0.0515 |
| Sep | 0.0515 |
| Oct | 0.0485 |

Line Chart:

Share Price Performance -- Weekly Closing Price

| | |
|----------|--------|
| 11/01/06 | 12.82 |
| | 12.75 |
| | 12.83 |
| | 12.76 |
| | 12.72 |
| | 12.93 |
| | 12.88 |
| | 12.8 |
| | 12.71 |
| | 12.78 |
| | 12.8 |
| | 12.84 |
| | 12.9 |
| | 12.85 |
| | 12.98 |
| | 12.98 |
| | 12.92 |
| | 12.96 |
| | 13.055 |
| | 13.06 |
| | 13.1 |
| | 13.07 |
| | 13.14 |
| | 13.14 |
| | 12.95 |
| | 12.89 |
| | 13.02 |
| | 13.08 |
| | 13.03 |
| | 12.9 |
| | 12.83 |
| | 12.89 |
| | 12.56 |
| | 12.17 |
| | 12.07 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|----------|---------|
| | 12.22 |
| | 12.17 |
| | 12.06 |
| | 12.06 |
| | 12.12 |
| | 12.1 |
| | 11.81 |
| | 11.61 |
| | 11.78 |
| | 11.95 |
| | 12.37 |
| | 12.06 |
| | 12.04 |
| | 12.05 |
| | 11.85 |
| | 11.7301 |
| | 11.73 |
| | 11.75 |
| 10/31/07 | 11.77 |

FUND SNAPSHOT

| | |
|---|-----------|
| Common Share Price | \$11.77 |
| Common Share Net Asset Value | \$13.22 |
| Premium/(Discount) to NAV | -10.97% |
| Market Yield | 4.94% |
| Taxable-Equivalent Yield(1) | 6.86% |
| Net Assets Applicable to Common Shares (\$000) | \$571,427 |
| Average Effective Maturity on Securities (Years) | 16.38 |
| Leverage-Adjusted Duration | 11.45 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | -3.30% | 1.25% |
| 5-Year | 4.24% | 5.53% |
| 10-Year | 4.71% | 4.90% |

STATES

(as a % of total investments)

| | |
|------------|-------|
| Texas | 11.3% |
| California | 10.9% |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|----------------|-------|
| Illinois | 10.7% |
| ----- | ----- |
| Washington | 5.8% |
| ----- | ----- |
| Indiana | 5.0% |
| ----- | ----- |
| New York | 4.8% |
| ----- | ----- |
| Michigan | 4.5% |
| ----- | ----- |
| Louisiana | 3.9% |
| ----- | ----- |
| Florida | 3.7% |
| ----- | ----- |
| Colorado | 3.3% |
| ----- | ----- |
| New Jersey | 2.8% |
| ----- | ----- |
| Nevada | 2.7% |
| ----- | ----- |
| Alabama | 2.5% |
| ----- | ----- |
| South Carolina | 2.5% |
| ----- | ----- |
| Rhode Island | 2.1% |
| ----- | ----- |
| Ohio | 1.9% |
| ----- | ----- |
| Oklahoma | 1.8% |
| ----- | ----- |
| Other | 19.8% |
| ----- | ----- |

INDUSTRIES

(as a % of total investments)

| | |
|------------------------|-------|
| ----- | ----- |
| U.S. Guaranteed | 21.5% |
| ----- | ----- |
| Tax Obligation/General | 16.2% |
| ----- | ----- |
| Health Care | 15.8% |
| ----- | ----- |
| Tax Obligation/Limited | 14.1% |
| ----- | ----- |
| Utilities | 9.3% |
| ----- | ----- |
| Transportation | 7.1% |
| ----- | ----- |
| Water and Sewer | 4.5% |
| ----- | ----- |
| Other | 11.5% |
| ----- | ----- |

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.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

NPI
NPM
NPT

Shareholder MEETING REPORT

The annual meeting of shareholders was held on July 31, 2007, at The Northern Trust Company, 50 South La Salle Street, Chicago, IL 60675; at this meeting shareholders were asked to vote on the election of Board Members. Additionally a special meeting of shareholders was held in the offices of Nuveen Investments on October 12, 2007; at this meeting shareholders were asked to vote on a New Investment Management Agreement and to ratify the selection of Ernst and Young LLP as the fund's independent registered public accounting firm.

| | NPI | | NPM | |
|---|--|--|--|---|
| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | Common and MuniPreferred shares voting together as a class | MuniPreferred shares vot toget as a cl |
| ----- | | | | |
| TO APPROVE A NEW INVESTMENT MANAGEMENT AGREEMENT: | | | | |
| For | 32,848,150 | -- | 19,465,755 | |
| Against | 1,509,036 | -- | 1,102,431 | |
| Abstain | 1,098,979 | -- | 716,442 | |
| Broker Non-Votes | 9,029,041 | -- | 6,731,025 | |
| ----- | | | | |
| Total | 44,485,206 | -- | 28,015,653 | |
| ===== | | | | |
| APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: | | | | |
| Robert P. Bremner | | | | |
| For | 55,488,919 | -- | 36,121,065 | |
| Withhold | 1,130,318 | -- | 651,080 | |
| ----- | | | | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| Jack B. Evans | | | | |
| For | 55,494,936 | -- | 36,114,998 | |
| Withhold | 1,124,301 | -- | 657,147 | |
| ----- | | | | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| William C. Hunter | | | | |
| For | 55,500,810 | -- | 36,117,972 | |
| Withhold | 1,118,427 | -- | 654,173 | |
| ----- | | | | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| David J. Kundert | | | | |
| For | 55,493,399 | -- | 36,119,905 | |
| Withhold | 1,125,838 | -- | 652,240 | |
| ----- | | | | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| William J. Schneider | | | | |
| For | -- | 18,635 | -- | 13, |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | | |
|--|------------|--------|------------|-----|
| Withhold | -- | 23 | -- | |
| Total | -- | 18,658 | -- | 13, |
| ===== | | | | |
| Timothy R. Schwertfeger | | | | |
| For | -- | 18,635 | -- | 13, |
| Withhold | -- | 23 | -- | |
| Total | -- | 18,658 | -- | 13, |
| ===== | | | | |
| Judith M. Stockdale | | | | |
| For | 55,482,192 | -- | 36,135,077 | |
| Withhold | 1,137,045 | -- | 637,068 | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| Carole E. Stone | | | | |
| For | 55,485,321 | -- | 36,123,995 | |
| Withhold | 1,133,916 | -- | 648,150 | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| Eugene S. Sunshine (1) | | | | |
| For | 55,488,949 | -- | 36,117,444 | |
| Withhold | 1,130,288 | -- | 654,701 | |
| Total | 56,619,237 | -- | 36,772,145 | |
| ===== | | | | |
| TO RATIFY THE SELECTION OF ERNST & YOUNG LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE CURRENT FISCAL YEAR: | | | | |
| For | 43,136,154 | -- | 27,188,611 | |
| Against | 566,263 | -- | 401,141 | |
| Abstain | 782,789 | -- | 425,901 | |
| Total | 44,485,206 | -- | 28,015,653 | |
| ===== | | | | |

(1) Mr. Sunshine resigned from the Funds' Board of Directors on July 31, 2007.

15

Report of
INDEPENDENT REGISTERED
PUBLIC ACCOUNTING FIRM

THE BOARD OF DIRECTORS AND SHAREHOLDERS
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, 2007, and the related statements of operations and cash flows (Nuveen Premium Income Municipal Fund 2, Inc. and Nuveen Premium Income Municipal Fund 4, Inc. only) 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

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

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, 2007, 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, 2007, the results of their operations and cash flows (Nuveen Premium Income Municipal Fund 2, Inc. and Nuveen Premium Income Municipal Fund 4, Inc. only) 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 U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Chicago, Illinois
December 27, 2007

16

NPI
Nuveen Premium Income Municipal Fund, Inc.
Portfolio of INVESTMENTS

October 31, 2007

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | ALABAMA - 4.2% (2.5% OF TOTAL INVESTMENTS) | |
| \$ 4,050 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 6.125%, 12/01/16 | 6/10 at 102 |
| 1,435 | Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/36 | 11/16 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| 6,000 | Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006D, 5.000%, 11/15/39 | 11/16 at 100 |
| | 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 |
| 1,300 | 5.000%, 11/15/30 | 11/15 at 100 |
| 12,000 | Birmingham Waterworks and Sewerage Board, Alabama, Water and Sewerage Revenue Bonds, Series 2007A, 4.500%, 1/01/43 - AMBAC Insured (UB) | 1/17 at 100 |
| 2,190 | Courtland Industrial Development Board, Alabama, Pollution Control Revenue Bonds, International Paper Company, Series 2005A, 5.000%, 6/01/25 | 6/15 at 100 |
| 5,020 | DCH Health Care Authority, Alabama, Healthcare Facilities Revenue Bonds, Series 2002, 5.250%, 6/01/18 | 6/12 at 101 |
| 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 |

| | | |
|--------|---------------|--|
| 38,995 | Total Alabama | |
|--------|---------------|--|

ALASKA - 2.0% (1.2% 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 |
| 2,035 | 5.250%, 9/01/18 (Pre-refunded 9/01/13) - FGIC Insured | 9/13 at 100 |
| 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 |
| 10,500 | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2006A, 5.000%, 6/01/32 | 6/14 at 100 |

| | | |
|--------|--------------|--|
| 19,535 | Total Alaska | |
|--------|--------------|--|

ARIZONA - 1.0% (0.6% 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 |
| 660 | 5.250%, 12/01/25 | 12/15 at 100 |
| 3,900 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company, Series 1988A, 7.250%, 7/15/10 - FSA Insured | 1/08 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

4,130 University of Arizona, Certificates of Participation, Series 2002B, 6/12 at 100
5.125%, 6/01/18 - AMBAC Insured

9,190 Total Arizona

17

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|--|--------------------------|
| ----- | | |
| ARKANSAS - 0.8% (0.5% 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 |
| 5,245 | University of Arkansas, Fayetteville, Athletic Facilities Revenue Bonds, Razorback Stadium, Series 1999, 5.050%, 9/15/20 - AMBAC Insured | 9/09 at 100 |
| 2,000 | Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005B, 5.000%, 2/01/25 | 2/15 at 100 |
| ----- | | |
| 7,725 | Total Arkansas | |
| ----- | | |

CALIFORNIA - 19.2% (11.7% 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. C |
| 3,335 | Anaheim Public Finance Authority, California, Public Improvement Project Lease Revenue Bonds, UBS Residual Series 07 1011-1013, 5.869%, 3/01/37 - FGIC Insured (IF) | 9/17 at 100 |
| 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 |
| 7,200 | California Educational Facilities Authority, Revenue Bonds, University of Southern California, Series 2005, 4.750%, 10/01/28 | 10/15 at 100 |
| 1,500 | California Educational Facilities Authority, Revenue Bonds, University of the Pacific, Series 2006, 5.000%, 11/01/30 | 11/15 at 100 |
| California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A: | | |
| 3,700 | 5.000%, 3/01/28 | 3/13 at 100 |
| 7,000 | 5.000%, 3/01/33 | 3/13 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| 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. C |
| 8,560 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/27 | 11/15 at 100 |
| 8,570 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37 | 4/16 at 100 |
| 3,015 | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 | 11/16 at 100 |
| 11,395 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 1993E, 5.500%, 6/01/15 | No Opt. C |
| | 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 |
| 2,730 | 5.000%, 7/01/39 | 7/15 at 100 |
| 4,000 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.250%, 7/01/14 | No Opt. C |
| | California, General Obligation Bonds, Series 2004: | |
| 2,000 | 5.125%, 2/01/25 | 2/14 at 100 |
| 10,000 | 5.125%, 2/01/26 | 2/14 at 100 |
| 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 |
| 4,890 | Clovis Unified School District, Fresno County, California, General Obligation Bonds, Series 2006B, 0.000%, 8/01/26 - MBIA Insured | No Opt. C |
| | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: | |
| 7,000 | 5.000%, 6/01/33 | 6/17 at 100 |
| 2,000 | 5.750%, 6/01/47 | 6/17 at 100 |

18

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | CALIFORNIA (continued) | |
| \$ 5,000 | Kern Community College District, California, General Obligation Bonds, Series 2006, 0.000%, 11/01/24 - FSA Insured | No Opt. C |
| 5,470 | Los Angeles Harbors Department, California, Revenue Bonds, Series 2006A, 5.000%, 8/01/22 - FGIC Insured (Alternative Minimum Tax) | 8/16 at 102 |
| 995 | Martinez, California, Home Mortgage Revenue Bonds, Series 1983A, 10.750%, 2/01/16 (ETM) | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|---------|---|-------------|
| 18,805 | Pomona, California, GNMA/FNMA Collateralized Securities Program Single Family Mortgage Revenue Bonds, Series 1990A, 7.600%, 5/01/23 (ETM) | No Opt. C |
| 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 |
| 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 |
| 3,700 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2003R, 5.000%, 8/15/22 - MBIA Insured | 8/13 at 100 |
| | San Diego County, California, Certificates of Participation, Burnham Institute, Series 2006: | |
| 400 | 5.000%, 9/01/21 | 9/15 at 102 |
| 445 | 5.000%, 9/01/23 | 9/15 at 102 |
| 3,500 | San Diego Unified Port District, California, Revenue Bonds, Series 2004B, 5.000%, 9/01/29 - MBIA Insured | 9/14 at 100 |
| | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: | |
| 7,150 | 0.000%, 1/15/32 - MBIA Insured (UB) | No Opt. C |
| 50,400 | 0.000%, 1/15/34 - MBIA Insured (UB) | No Opt. C |
| | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: | |
| 10,450 | 0.000%, 1/15/31 - MBIA Insured | No Opt. C |
| 24,025 | 0.000%, 1/15/36 - MBIA Insured | No Opt. C |
| ----- | | |
| 248,075 | Total California | |
| ----- | | |

COLORADO - 4.8% (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 |
| 690 | Colorado Educational and Cultural Facilities Authority, Charter School Revenue Bonds, Bromley School, Series 2005, 5.125%, 9/15/20 - XLCA Insured | 9/15 at 100 |
| 2,125 | Colorado Health Facilities Authority, Revenue Bonds, Evangelical Lutheran Good Samaritan Society, Series 2005, 5.000%, 6/01/29 | 6/16 at 100 |
| 1,000 | Colorado Health Facilities Authority, Revenue Bonds, Parkview Medical Center, Series 2004, 5.000%, 9/01/25 | 9/14 at 100 |
| 800 | Colorado Health Facilities Authority, Revenue Bonds, Poudre Valley Health Care, Series 2005F, 5.000%, 3/01/25 | 3/15 at 100 |
| 150 | Colorado Housing Finance Authority, Single Family Program Senior Bonds, Series 1997B-2, 7.000%, 5/01/26 (Alternative Minimum Tax) | 11/07 at 105 |
| 125 | Colorado Housing Finance Authority, Single Family Program | 11/07 at 105 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|-------------|
| | Senior Bonds, Series 1997C-2, 6.875%, 11/01/28 (Alternative Minimum Tax) | |
| 570 | Colorado Housing Finance Authority, Single Family Program Senior Bonds, Series 2000B-2, 7.250%, 10/01/31 (Alternative Minimum Tax) | 4/10 at 105 |
| 8,385 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Opt. C |
| 19,810 | Denver, Colorado, Excise Tax Revenue Bonds, Convention Center, Series 2001A, 5.500%, 9/01/18 (Pre-refunded 3/01/11) - FSA Insured | 3/11 at 100 |
| 20,500 | E-470 Public Highway Authority, Colorado, Senior Revenue Bonds, Series 2000B, 0.000%, 9/01/32 - MBIA Insured | No Opt. C |

19

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)

Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | COLORADO (continued) | |
| \$ 43 | El Paso County, Colorado, FNMA Mortgage-Backed Single Family Revenue Refunding Bonds, Series 1992A-2, 8.750%, 6/01/11 | No Opt. C |
| ----- | | |
| 56,698 | Total Colorado | |
| ----- | | |
| | CONNECTICUT - 0.5% (0.3% OF TOTAL INVESTMENTS) | |
| 1,930 | Connecticut, General Obligation Bonds, Series 2001C, 5.500%, 12/15/16 | No Opt. C |
| 2,310 | Greater New Haven Water Pollution Control Authority, Connecticut, Regional Wastewater System Revenue Bonds, Series 2005A, 5.000%, 11/15/30 - MBIA Insured | 11/15 at 100 |
| ----- | | |
| 4,240 | Total Connecticut | |
| ----- | | |
| | DISTRICT OF COLUMBIA - 3.6% (2.2% OF TOTAL INVESTMENTS) | |
| 4,885 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988E-4, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/07 at 100 |
| 9,505 | District of Columbia, General Obligation Bonds, Series 1998B, 6.000%, 6/01/20 - MBIA Insured | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| | District of Columbia, Revenue Bonds, Georgetown University, Series 2001A: | |
| 14,105 | 0.000%, 4/01/24 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 47 |
| 7,625 | 0.000%, 4/01/25 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 44 |
| 16,665 | 0.000%, 4/01/32 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 29 |
| 2,130 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 3.500%, 10/01/30 - AMBAC Insured (IF) | 10/16 at 100 |
| 3,335 | Washington DC Convention Center Authority, Dedicated Tax Revenue Bonds, Residual Series 1730,1731, 1736, 6.094%, 10/01/30 - AMBAC Insured (IF) | 10/16 at 100 |
| <hr/> | | |
| 58,250 | Total District of Columbia | |
| <hr/> | | |
| | FLORIDA - 5.8% (3.5% OF TOTAL INVESTMENTS) | |
| 4,225 | Brevard County Health Facilities Authority, Florida, Revenue Bonds, Health First Inc. Project, Series 2005, 5.000%, 4/01/24 | 4/16 at 100 |
| 8,000 | Hillsborough County Aviation Authority, Florida, Revenue Bonds, Tampa International Airport, Series 2003A, 5.375%, 10/01/16 - MBIA Insured (Alternative Minimum Tax) | 10/13 at 100 |
| 5,400 | Hillsborough County Industrial Development Authority, Florida, Exempt Facilities Remarketed Revenue Bonds, National Gypsum Company, Apollo Beach Project, Series 2000B, 7.125%, 4/01/30 (Alternative Minimum Tax) | 4/10 at 101 |
| 19,750 | Miami-Dade County Expressway Authority, Florida, Toll System Revenue Bonds, Series 2006, 4.500%, 7/01/33 - AMBAC Insured (UB) | 7/16 at 100 |
| 5,000 | Orange County Health Facilities Authority, Florida, Hospital Revenue Bonds, Adventist Health System/Sunbelt Obligated Group, Series 2000, 6.500%, 11/15/30 (Pre-refunded 11/15/10) | 11/10 at 101 |
| 6,910 | South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 | 8/17 at 100 |
| 1,785 | Tallahassee, Florida, Energy System Revenue Bonds, Series 2005, 5.000%, 10/01/28 - MBIA Insured | 10/15 at 100 |
| 2,375 | Volusia County School Board, Florida, Certificates of Participation, Series 2005B, 5.000%, 8/01/22 - FSA Insured | 8/15 at 100 |
| <hr/> | | |
| 53,445 | Total Florida | |
| <hr/> | | |
| | GEORGIA - 1.9% (1.1% OF TOTAL INVESTMENTS) | |
| 2,625 | Fulton County Development Authority, Georgia, Revenue Bonds, Georgia Tech Molecular Science Building, Series 2004, 5.250%, 5/01/24 - MBIA Insured | 5/14 at 100 |
| 6,025 | Fulton-DeKalb Hospital Authority, Georgia, Revenue Refunding | 1/14 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Certificates, Series 2003, 5.250%, 1/01/20 - FSA Insured

20

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | GEORGIA (continued) | |
| \$ 4,845 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Refunding Bonds, Series 1992P, 6.250%, 7/01/20 - AMBAC Insured | No Opt. C |
| 2,695 | Savannah Housing Authority, Georgia, GNMA Collateralized Mortgage Revenue Refunding Bonds, Plantation Oak Project, Series 2000, 6.350%, 11/20/39 | 5/08 at 103 |
| ----- | | |
| 16,190 | Total Georgia | |
| ----- | | |
| | HAWAII - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| 10,000 | Hawaii, General Obligation Bonds, Series 2003DA, 5.250%, 9/01/21 - MBIA Insured | 9/13 at 100 |
| ----- | | |
| | IDAHO - 0.8% (0.5% OF TOTAL INVESTMENTS) | |
| 5,000 | Boise City, Idaho, Airport Revenue Certificates of Participation, Series 2000, 5.500%, 9/01/25 - FGIC Insured (Alternative Minimum Tax) | 9/10 at 100 |
| 2,185 | Madison County, Idaho, Hospital Revenue Certificates of Participation, Madison Memorial Hospital, Series 2006, 5.250%, 9/01/30 | 9/16 at 100 |
| ----- | | |
| 7,185 | Total Idaho | |
| ----- | | |
| | ILLINOIS - 12.5% (7.7% OF TOTAL INVESTMENTS) | |
| 9,220 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 (Pre-refunded 12/01/07) - AMBAC Insured | 12/07 at 102 |
| 8,890 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1998B-1: 0.000%, 12/01/16 - FGIC Insured | No Opt. C |
| 10,000 | 0.000%, 12/01/20 - FGIC Insured | No Opt. C |
| 10,130 | 0.000%, 12/01/24 - FGIC Insured | No Opt. C |
| | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A: | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| 15,000 | 0.000%, 12/01/21 - FGIC Insured | No Opt. C |
| 10,000 | 0.000%, 12/01/23 - FGIC Insured | No Opt. C |
| 26,350 | Chicago Greater Metropolitan Area Sanitary District, Illinois, General Obligation Bonds, Series 2006, 5.000%, 12/01/35 (UB) | 12/16 at 100 |
| 25 | Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1996A, 7.000%, 9/01/27 (Alternative Minimum Tax) | 3/08 at 103 |
| 185 | Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997B, 6.950%, 9/01/28 (Alternative Minimum Tax) | 3/08 at 105 |
| 8,740 | Illinois Development Finance Authority, Pollution Control Revenue Refunding Bonds, Illinois Power Company, Series 1994A, 5.700%, 2/01/24 - MBIA Insured | 2/08 at 100 |
| | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2004: | |
| 1,050 | 5.250%, 11/15/22 | 5/14 at 100 |
| 3,000 | 5.250%, 11/15/23 | 5/14 at 100 |
| 985 | Illinois Finance Authority, Revenue Bonds, Proctor Hospital, Series 2006, 5.125%, 1/01/25 | 1/16 at 100 |
| 1,175 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.500%, 5/15/32 | 5/12 at 100 |
| 9,820 | Illinois Health Facilities Authority, Revenue Bonds, Sherman Health Systems, Series 1997, 5.250%, 8/01/27 - AMBAC Insured | 2/08 at 101 |
| 1,000 | Lombard Public Facilities Corporation, Illinois, Second Tier Conference Center and Hotel Revenue Bonds, Series 2005B, 5.250%, 1/01/30 | 1/16 at 100 |
| 10,040 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1992A, 0.000%, 6/15/15 - FGIC Insured | No Opt. C |
| 9,200 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | 12/09 at 101 |

21

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL PROVISIONS |
|------------------------|--|---------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 3,000 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Hospitality Facility, Series 1996A, 7.000%, 7/01/26 (ETM) | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|--------------|
| 3,000 | Upper Illinois River Valley Development Authority, Healthcare Facilities Revenue Bonds, Morris Hospital, Series 2001, 6.625%, 12/01/31 | 12/11 at 101 |
|-------|--|--------------|

| | | |
|---------|----------------|--|
| 140,810 | Total Illinois | |
|---------|----------------|--|

INDIANA - 1.1% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 2,005 | Hamilton County Public Building Corporation, Indiana, First Mortgage Bonds, Series 2004, 5.000%, 8/01/22 - FSA Insured | 8/14 at 100 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 7,965 | Wawasee Community School Corporation, Indiana, First Mortgage Bonds, New Elementary and Remodeling Building Corporation, Series 2000, 5.750%, 1/15/20 (Pre-refunded 1/15/12) | 1/12 at 101 |
|-------|--|-------------|

| | | |
|-------|---------------|--|
| 9,970 | Total Indiana | |
|-------|---------------|--|

IOWA - 2.0% (1.2% OF TOTAL INVESTMENTS)

| | | |
|---|--------------------------------|-------------|
| Des Moines, Iowa, General Obligation Bonds, Series 2000D: | | |
| 1,215 | 5.750%, 6/01/17 - MBIA Insured | 6/08 at 100 |
| 1,410 | 5.800%, 6/01/18 - MBIA Insured | 6/08 at 100 |

| | | |
|-------|--|-------------|
| 2,000 | Iowa Finance Authority, Healthcare Revenue Bonds, Genesis Medical Center, Series 2000, 6.250%, 7/01/25 | 7/10 at 100 |
|-------|--|-------------|

| | | |
|-------|---|-----------|
| 3,860 | Iowa Finance Authority, Industrial Remarketed Revenue Refunding Bonds, Urbandale Hotel Corporation, Series 1989A, 8.500%, 8/01/16 (Alternative Minimum Tax) (ETM) | No Opt. C |
|-------|---|-----------|

| | | |
|--------|---|-------------|
| 10,000 | Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.500%, 6/01/42 | 6/15 at 100 |
|--------|---|-------------|

| | | |
|--------|------------|--|
| 18,485 | Total Iowa | |
|--------|------------|--|

KANSAS - 0.7% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 6,000 | Kansas Department of Transportation, Highway Revenue Bonds, Series 2004A, 5.000%, 3/01/21 | 3/14 at 100 |
|-------|---|-------------|

| | | |
|-----|--|-------------|
| 445 | Sedgwick and Shawnee Counties, Kansas, GNMA Mortgage-Backed Securities Program Single Family Revenue Bonds, Series 1998A-1, 6.500%, 12/01/22 (Alternative Minimum Tax) | 6/08 at 105 |
|-----|--|-------------|

| | | |
|-------|--------------|--|
| 6,445 | Total Kansas | |
|-------|--------------|--|

KENTUCKY - 0.8% (0.5% OF TOTAL INVESTMENTS)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|---|-------------|
| 3,770 | Kentucky Turnpike Authority, Economic Development Road Revenue Bonds, Revitalization Project, Series 2005B, 5.000%, 7/01/24 - AMBAC Insured | 7/15 at 100 |
| | Marshall County School District Finance Corporation, Kentucky, School Building Revenue Bonds, Series 2004: | |
| 1,210 | 5.000%, 6/01/19 - AMBAC Insured | 6/14 at 100 |
| 1,270 | 5.000%, 6/01/20 - AMBAC Insured | 6/14 at 100 |
| 1,335 | 5.000%, 6/01/21 - AMBAC Insured | 6/14 at 100 |
| ----- | | |
| 7,585 | Total Kentucky | |
| ----- | | |

LOUISIANA - 3.8% (2.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 2,915 | Jefferson Sales Tax District, Jefferson Parish, Louisiana, Special Sales Tax Revenue Refunding Bonds, Series 2002, 5.250%, 12/01/19 (Pre-refunded 12/01/12) - AMBAC Insured | 12/12 at 100 |
| 200 | Louisiana Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000A, 7.450%, 12/01/31 (Alternative Minimum Tax) | 9/09 at 101 |
| 5,505 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 | No Opt. C |
| 620 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 (ETM) | No Opt. C |

22

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|---|-----------------------|
| ----- | | |
| | LOUISIANA (continued) | |
| \$ 2,000 | Louisiana Public Facilities Authority, Hospital Revenue Bonds, Franciscan Missionaries of Our Lady Health System, Series 2005A, 5.250%, 8/15/31 | 8/15 at 100 |
| | Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2005A: | |
| 1,200 | 5.000%, 5/01/25 - FGIC Insured | 5/15 at 100 |
| 2,210 | 5.000%, 5/01/26 - FGIC Insured | 5/15 at 100 |
| 2,500 | 5.000%, 5/01/27 - FGIC Insured | 5/15 at 100 |
| | Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006: | |
| 930 | 4.750%, 5/01/39 - FSA Insured (UB) | 5/16 at 100 |
| 10,105 | 4.500%, 5/01/41 - FGIC Insured (UB) | 5/16 at 100 |
| 5,800 | Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47 | 5/17 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--|---|--------------|
| 33,985 | Total Louisiana | |
| MARYLAND - 1.0% (0.6% OF TOTAL INVESTMENTS) | | |
| 2,200 | Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/27 - XLCA Insured | 9/16 at 100 |
| 3,560 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Western Maryland Health, Series 2006A, 4.750%, 7/01/36 - MBIA Insured (UB) | 7/16 at 100 |
| 3,600 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.200%, 7/01/30 (Alternative Minimum Tax) | 7/10 at 100 |
| 9,360 | Total Maryland | |
| MASSACHUSETTS - 4.9% (3.0% OF TOTAL INVESTMENTS) | | |
| 840 | Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A, 5.250%, 7/01/30 | 7/10 at 100 |
| 7,900 | Massachusetts Bay Transportation Authority, Assessment Bonds, Series 2000A: 5.250%, 7/01/30 (Pre-refunded 7/01/10) | 7/10 at 100 |
| 1,260 | 5.250%, 7/01/30 (Pre-refunded 7/01/10) | 7/10 at 100 |
| 8,505 | Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue Bonds, Series 2001A, 5.850%, 7/01/35 - AMBAC Insured (Alternative Minimum Tax) | 1/11 at 100 |
| 2,825 | Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.450%, 12/01/12 (Alternative Minimum Tax) | 12/08 at 102 |
| 13,000 | Massachusetts Water Pollution Abatement Trust, Pooled Loan Program Bonds, Series 12, 4.375%, 8/01/36 (UB) | 8/16 at 100 |
| 5,960 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2005A, 5.250%, 8/01/25 - MBIA Insured | 8/17 at 100 |
| 1,845 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007, Residual Trust 7039, 6.272%, 8/01/46 - FSA Insured (IF) | 2/17 at 100 |
| 3,820 | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004, 5.250%, 1/01/24 (Pre-refunded 1/01/14) - FGIC Insured | 1/14 at 100 |
| 45,955 | Total Massachusetts | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

MICHIGAN - 4.4% (2.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | Detroit, Michigan, General Obligation Bonds, Series 2003A: | |
| 3,565 | 5.250%, 4/01/22 - XLCA Insured | 4/13 at 100 |
| 1,275 | 5.250%, 4/01/23 - XLCA Insured | 4/13 at 100 |

23

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)

Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | MICHIGAN (continued) | |
| \$ 3,930 | Hudsonville Public Schools, Ottawa and Allegan Counties, Michigan, Unlimited Tax General Obligation School Building and Site Refunding Bonds, Series 1997, 5.150%, 5/01/22 - FGIC Insured | 5/08 at 100 |
| 3,000 | Kent Hospital Finance Authority, Michigan, Revenue Bonds, Metropolitan Hospital, Series 2005A, 6.000%, 7/01/35 | 7/15 at 100 |
| 6,600 | Michigan Housing Development Authority, Limited Obligation Multifamily Mortgage Revenue Refunding Bonds, Forest Hills Regency Square Project, Series 1999A, 5.750%, 7/01/29 | 1/08 at 102 |
| 10,000 | Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/23 - MBIA Insured | 10/13 at 100 |
| 4,000 | Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 | 12/16 at 100 |
| 850 | Monroe County Hospital Finance Authority, Michigan, Mercy Memorial Hospital Corporation Revenue Bonds, Series 2006, 5.500%, 6/01/35 | 6/16 at 100 |
| 6,390 | Wayne County, Michigan, Airport Revenue Bonds, Detroit Metropolitan Airport, Series 2002D, 5.500%, 12/01/19 - FGIC Insured (Alternative Minimum Tax) | 12/12 at 100 |
| ----- | | |
| 39,610 | Total Michigan | |
| ----- | | |

MINNESOTA - 5.0% (3.1% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 13,650 | Cohasset, Minnesota, Pollution Control Revenue Bonds, Allete Inc., Series 2004, 4.950%, 7/01/22 | 7/14 at 100 |
| 2,000 | Duluth Economic Development Authority, Minnesota, Healthcare Facilities Revenue Bonds, Benedictine Health System - St. Mary's Duluth Clinic, Series 2004, 5.375%, 2/15/22 | 2/14 at 100 |
| | Eden Prairie, Minnesota, GNMA Collateralized Multifamily Housing | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| | Revenue Bonds, Rolling Hills Project, Series 2001A: | |
| 1,000 | 6.150%, 8/20/31 | 8/11 at 105 |
| 2,000 | 6.200%, 2/20/43 | 8/11 at 105 |
| 90 | Minnesota Agricultural and Economic Development Board, Healthcare System Revenue Bonds, Fairview Hospital and Healthcare Services, Series 1997A, 5.750%, 11/15/26 - MBIA Insured | 11/07 at 102 |
| 1,335 | Minnesota Higher Education Facilities Authority, Revenue Bonds, University of St. Thomas, Series 2006-6I, 5.000%, 4/01/23 | 4/16 at 100 |
| 700 | Minnesota Higher Education Facilities Authority, St. John's University Revenue Bonds, Series 2005-6G, 5.000%, 10/01/22 | 10/15 at 100 |
| 1,500 | Minnesota Municipal Power Agency, Electric Revenue Bonds, Series 2004A, 5.250%, 10/01/24 | 10/14 at 100 |
| 1,665 | Rochester, Minnesota, Health Care Facilities Revenue Bonds, Series 2006, 5.000%, 11/15/36 | 5/16 at 100 |
| 1,545 | St. Paul Housing and Redevelopment Authority, Minnesota, Revenue Bonds, Healtheast Inc., Series 2005, 6.000%, 11/15/25 | 11/15 at 100 |
| 17,370 | St. Paul Housing and Redevelopment Authority, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured (5) | 11/15 at 103 |

| | | |
|--------|-----------------|--|
| 42,855 | Total Minnesota | |
|--------|-----------------|--|

MISSISSIPPI - 0.7% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 6,875 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100 |
|-------|--|-------------|

MISSOURI - 2.0% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,000 | Cole County Industrial Development Authority, Missouri, Revenue Bonds, Lutheran Senior Services - Heisinger Project, Series 2004, 5.250%, 2/01/24 | 2/14 at 100 |
| 500 | Hannibal Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Hannibal Regional Hospital, Series 2006, 5.000%, 3/01/22 | 3/16 at 100 |

| | | |
|--------------|-----------------|------------|
| PRINCIPAL | | OPTIONAL C |
| AMOUNT (000) | DESCRIPTION (1) | PROVISIONS |

MISSOURI (continued)

Missouri Development Finance Board, Infrastructure Facilities

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|----|-------|--|-------------|
| | | Revenue Bonds, Branson Landing Project, Series 2005A: | |
| \$ | 1,565 | 6.000%, 6/01/20 | No Opt. C |
| | 1,260 | 5.000%, 6/01/35 | 6/15 at 100 |
| | 1,500 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| | | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A: | |
| | 1,500 | 5.250%, 6/01/21 (Pre-refunded 6/01/11) - AMBAC Insured | 6/11 at 101 |
| | 4,150 | 5.250%, 6/01/28 (Pre-refunded 6/01/11) - AMBAC Insured | 6/11 at 101 |
| | 320 | Missouri Housing Development Commission, GNMA/FNMA Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 1996C, 7.450%, 9/01/27 (Alternative Minimum Tax) | 3/08 at 104 |
| | 2,410 | Missouri Housing Development Commission, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 1999B-1, 6.700%, 9/01/30 (Alternative Minimum Tax) | 3/09 at 103 |
| | 2,960 | St. Charles County Francis Howell School District, Missouri, General Obligation Refunding Bonds, Series 1994A, 7.800%, 3/01/08 - FGIC Insured | No Opt. C |

| | | | |
|--|--------|----------------|--|
| | 18,165 | Total Missouri | |
|--|--------|----------------|--|

NEBRASKA - 1.3% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|--|--------------|
| | 7,260 | Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2006A, 5.000%, 2/01/49 - AMBAC Insured (UB) | 2/17 at 100 |
| | 4,410 | University of Nebraska, Lincoln, Student Fees and Facilities Revenue Bonds, Series 2003B, 5.000%, 7/01/33 | 11/13 at 100 |

| | | | |
|--|--------|----------------|--|
| | 11,670 | Total Nebraska | |
|--|--------|----------------|--|

NEVADA - 4.4% (2.7% OF TOTAL INVESTMENTS)

| | | | |
|--|--------|---|-------------|
| | 10,410 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 (Pre-refunded 6/15/12) - MBIA Insured | 6/12 at 100 |
| | 15,000 | Clark County, Nevada, General Obligation Bank Bonds, Southern Nevada Water Authority Loan, Series 2001, 5.250%, 6/01/26 (Pre-refunded 6/01/11) - FGIC Insured | 6/11 at 100 |
| | | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000: | |
| | 6,425 | 0.000%, 1/01/29 - AMBAC Insured | No Opt. C |
| | 12,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

43,835 Total Nevada

NEW HAMPSHIRE - 0.0% (0.0% OF TOTAL INVESTMENTS)

455 New Hampshire Housing Finance Authority, Single Family 1/08 at 101
Mortgage Acquisition Revenue Bonds, Series 1996B,
6.400%, 1/01/27 (Alternative Minimum Tax)

NEW JERSEY - 8.0% (4.9% OF TOTAL INVESTMENTS)

10,150 Delaware River Port Authority, Pennsylvania and New Jersey, 1/10 at 100
Revenue Bonds, Port District Project, Series 1999B,
5.625%, 1/01/26 - FSA Insured

8,000 Essex County Improvement Authority, New Jersey, General 10/10 at 100
Obligation Guaranteed Lease Revenue Bonds, County
Correctional Facility Project, Series 2000, 6.000%, 10/01/25
(Pre-refunded 10/01/10) - FGIC Insured

500 Middlesex County Improvement Authority, New Jersey, Senior No Opt. C
Revenue Bonds, Heldrich Center Hotel/Conference Center
Project, Series 2005A, 5.000%, 1/01/15

25

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|-----------------|-----------------------|
|------------------------|-----------------|-----------------------|

NEW JERSEY (continued)

| | | | |
|----|-------|---|-------------|
| \$ | 3,655 | New Jersey Economic Development Authority, School Facilities Construction Bonds, Series 2005P: 5.250%, 9/01/24 | 9/15 at 100 |
| | 2,000 | 5.250%, 9/01/26 | 9/15 at 100 |

| | | |
|-------|--|-------------|
| 3,985 | New Jersey Housing and Mortgage Finance Agency, Home Buyer Program Revenue Bonds, Series 1997U, 5.850%, 4/01/29 - MBIA Insured (Alternative Minimum Tax) | 4/08 at 101 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 5,410 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C: 5.500%, 6/15/20 (Pre-refunded 6/15/13) | 6/13 at 100 |
| 9,250 | 5.500%, 6/15/23 (Pre-refunded 6/15/13) | 6/13 at 100 |

| | | |
|-------|---|-----------|
| 3,850 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006A, 5.250%, 12/15/20 | No Opt. C |
|-------|---|-----------|

| | | |
|-------|---|-----------|
| 3,915 | New Jersey Turnpike Authority, Revenue Bonds, Series 2000A: 6.000%, 1/01/14 - MBIA Insured (ETM) | No Opt. C |
| 7,585 | 6.000%, 1/01/14 - MBIA Insured (ETM) | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|---|--|--------------|
| 2,500 | New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/19 - FGIC Insured | 7/13 at 100 |
| 9,130 | New Jersey Turnpike Authority, Revenue Bonds, Series 2005A, 5.000%, 1/01/25 - FSA Insured | 1/15 at 100 |
| ----- | | |
| 69,930 | Total New Jersey | |
| ----- | | |
| NEW MEXICO - 0.8% (0.5% OF TOTAL INVESTMENTS) | | |
| 645 | New Mexico Mortgage Finance Authority, Single Family Mortgage Program Bonds, Series 2000D-2, 6.850%, 9/01/31 (Alternative Minimum Tax) | 3/10 at 102 |
| 5,585 | Santa Fe County, New Mexico, Correctional System Gross Receipts Tax Revenue Bonds, Series 1997, 6.000%, 2/01/27 - FSA Insured | No Opt. C |
| ----- | | |
| 6,230 | Total New Mexico | |
| ----- | | |
| NEW YORK - 18.6% (11.3% OF TOTAL INVESTMENTS) | | |
| 1,000 | Dormitory Authority of the State of New York, Revenue Bonds, University of Rochester, Series 2004A: 5.250%, 7/01/22 | 7/14 at 100 |
| 500 | 5.250%, 7/01/24 | 7/14 at 100 |
| 1,025 | Dormitory Authority of the State of New York, Revenue Bonds, University of Rochester, Series 2004A, 5.250%, 7/01/20 (Pre-refunded 7/01/14) | 7/14 at 100 |
| 1,995 | Dormitory Authority of the State of New York, State and Local Appropriation Lease Bonds, Upstate Community Colleges, Series 2004B, 5.250%, 7/01/20 | 7/14 at 100 |
| 2,335 | Dormitory Authority of the State of New York, State Personal Income Tax Revenue Bonds, Series 2005F, 5.000%, 3/15/24 - AMBAC Insured | 3/15 at 100 |
| 6,915 | Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured (UB) | 2/17 at 100 |
| 6,000 | Liberty Development Corporation, New York, Goldman Sachs Headquarter Revenue Bonds, Series 2005, 5.250%, 10/01/35 | No Opt. C |
| 13,580 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 (Pre-refunded 6/01/08) | 6/08 at 101 |
| 5,100 | Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2006F, 4.250%, 5/01/33 - MBIA Insured (UB) | 11/16 at 100 |
| 7,000 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 2006A: 5.000%, 12/01/23 - FGIC Insured | 6/16 at 100 |
| 5,000 | 5.000%, 12/01/24 - FGIC Insured | 6/16 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|---|--------------|
| 4,500 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2005B, 5.000%, 11/15/30 - AMBAC Insured | 11/15 at 100 |
|-------|---|--------------|

26

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 7,400 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2005F, 5.000%, 11/15/30 | 11/15 at 100 |
| 3,000 | Metropolitan Transportation Authority, New York, Transportation Revenue Refunding Bonds, Series 2002A, 5.125%, 11/15/21 - FGIC Insured | 11/12 at 100 |
| | New York City Industrial Development Agency, New York, Civic Facility Revenue Bonds, United Jewish Appeal - Federation of Jewish Philanthropies of New York Inc., Series 2004A: | |
| 2,185 | 5.250%, 7/01/20 | 7/14 at 100 |
| 2,050 | 5.250%, 7/01/21 | 7/14 at 100 |
| 2,420 | 5.250%, 7/01/22 | 4/14 at 100 |
| 1,370 | 5.250%, 7/01/24 | 4/14 at 100 |
| 12,500 | New York City, New York, General Obligation Bonds, Fiscal Series 2003D, 5.250%, 10/15/22 | 10/13 at 100 |
| 525 | New York City, New York, General Obligation Bonds, Fiscal Series 2003J, 5.500%, 6/01/23 | 6/13 at 100 |
| 4,475 | New York City, New York, General Obligation Bonds, Fiscal Series 2003J, 5.500%, 6/01/23 (Pre-refunded 6/01/13) | 6/13 at 100 |
| 6,000 | New York City, New York, General Obligation Bonds, Fiscal Series 2004C, 5.250%, 8/15/20 | 8/14 at 100 |
| 7,960 | New York City, New York, General Obligation Bonds, Fiscal Series 2005M, 5.000%, 4/01/24 | 4/15 at 100 |
| 11,525 | New York Convention Center Development Corporation, Hotel Unit Fee Revenue Bonds, Series 2005, 5.000%, 11/15/44 - AMBAC Insured (UB) | 11/15 at 100 |
| 650 | New York Counties Tobacco Trust I, Tobacco Settlement Pass-Through Bonds, Series 2000B, 6.500%, 6/01/35 | 6/10 at 101 |
| 1,350 | New York Counties Tobacco Trust I, Tobacco Settlement Pass-Through Bonds, Series 2000B, 6.500%, 6/01/35 (Pre-refunded 6/01/10) | 6/10 at 101 |
| 3,770 | New York State Thruway Authority, General Revenue Bonds, Series 2005G, 5.000%, 1/01/25 - FSA Insured | 7/15 at 100 |
| 7,400 | New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency | 6/10 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|--------|--|--|--------------|
| | Contract-Backed Bonds, Series 2003A-1, 5.500%, 6/01/16 | | |
| 13,010 | New York State Urban Development Corporation, Service Contract Revenue Bonds, Correctional and Youth Facilities, Series 2002A, 5.500%, 1/01/17 (Mandatory put 1/01/11) | | No Opt. C |
| 6,460 | New York State Urban Development Corporation, State Personal Income Tax Revenue Bonds, Series 2004A-1, 5.000%, 3/15/26 - FGIC Insured | | 3/14 at 100 |
| 2,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Fortieth Series 2005, 5.000%, 12/01/27 - XLCA Insured | | 6/15 at 101 |
| 5,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Thirty-Fifth Series 2004, 5.000%, 9/15/28 - XLCA Insured | | 3/14 at 101 |
| 2,720 | Rensselaer County Industrial Development Agency, New York, Civic Facility Revenue Bonds, Rensselaer Polytechnic Institute, Series 2006, 5.000%, 3/01/26 | | 3/16 at 100 |
| 9,515 | Triborough Bridge and Tunnel Authority, New York, General Purpose Revenue Refunding Bonds, Series 2002B, 5.000%, 11/15/22 | | 11/12 at 100 |

| | | | |
|---------|----------------|--|--|
| 168,235 | Total New York | | |
|---------|----------------|--|--|

NORTH CAROLINA - 1.3% (0.8% OF TOTAL INVESTMENTS)

| | | | |
|-------|--|--|-------------|
| | Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G: | | |
| 5,785 | 5.250%, 6/01/22 | | 6/13 at 100 |
| 3,475 | 5.250%, 6/01/23 | | 6/13 at 100 |
| 1,050 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue Bonds, Carolinas Health Care, 5.000%, 1/15/31 | | 1/17 at 100 |

27

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
 Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| <hr/> | | |
| | NORTH CAROLINA (continued) | |
| \$ 1,000 | Gaston County Industrial Facilities and Pollution Control Financing Authority, North Carolina, National Gypsum Company Project Exempt Facilities Revenue Bonds, Series 2005, 5.750%, 8/01/35 (Alternative Minimum Tax) | 8/15 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

11,310 Total North Carolina

NORTH DAKOTA - 1.1% (0.7% OF TOTAL INVESTMENTS)

9,650 Dickinson, North Dakota, Health Care Facilities Revenue Bonds, BHS Long Term Care Inc., Series 1990, 7.625%, 2/15/20 - RAAI Insured 2/10 at 102

OHIO - 3.4% (2.1% OF TOTAL INVESTMENTS)

Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:

285 5.125%, 6/01/24 6/17 at 100
 2,850 5.875%, 6/01/30 6/17 at 100
 2,745 5.750%, 6/01/34 6/17 at 100
 6,285 5.875%, 6/01/47 6/17 at 100

2,750 Cincinnati City School District, Hamilton County, Ohio, General Obligation Bonds, Series 2006, 5.250%, 12/01/22 - FGIC Insured No Opt. C

4,265 Franklin County, Ohio, Hospital Revenue and Improvement Bonds, Children's Hospital Project, Series 2001, 5.500%, 5/01/28 (Pre-refunded 5/01/11) - AMBAC Insured 5/11 at 101

2,720 Ohio State University, General Receipts Bonds, Series 2003B, 5.250%, 6/01/20 6/13 at 100

665 Richland County, Ohio, Hospital Facilities Revenue Refunding Bonds, MedCentral Health System Obligated Group, Series 2000A, 6.125%, 11/15/16 11/10 at 101

1,335 Richland County, Ohio, Hospital Facilities Revenue Refunding Bonds, MedCentral Health System Obligated Group, Series 2000A, 6.125%, 11/15/16 (Pre-refunded 11/15/10) 11/10 at 101

7,000 Steubenville, Ohio, Hospital Facilities Revenue Refunding and Improvement Bonds, Trinity Health System, Series 2000, 6.500%, 10/01/30 (Pre-refunded 10/01/10) 10/10 at 100

30,900 Total Ohio

OKLAHOMA - 2.8% (1.7% OF TOTAL INVESTMENTS)

Norman Regional Hospital Authority, Oklahoma, Hospital Revenue Bonds, Series 2005:

500 5.375%, 9/01/29 9/16 at 100
 1,050 5.375%, 9/01/36 9/16 at 100

3,500 Oklahoma Capitol Improvement Authority, State Facilities Revenue Bonds, Series 2005F, 5.000%, 7/01/24 - AMBAC Insured 7/15 at 100

Oklahoma Development Finance Authority, Revenue Bonds,

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|--------|--|--|--------------|
| | Saint John Health System, Series 2007: | | |
| 10,000 | 5.000%, 2/15/37 | | 2/17 at 100 |
| 4,165 | 5.000%, 2/15/42 | | 2/17 at 100 |
| 6,685 | Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, 5.000%, 12/15/36 | | 12/16 at 100 |
| ----- | | | |
| 25,900 | Total Oklahoma | | |
| ----- | | | |

OREGON - 1.0% (0.6% OF TOTAL INVESTMENTS)

| | | | |
|-------|---|--|--------------|
| | Oregon Department of Administrative Services, Certificates of Participation, Series 2005A: | | |
| 2,060 | 5.000%, 5/01/24 - FSA Insured | | 5/15 at 100 |
| 4,220 | 5.000%, 5/01/30 - FSA Insured | | 5/15 at 100 |
| 2,500 | Oregon State Department of Transportation, Highway User Tax Revenue Bonds, Series 2004A, 5.000%, 11/15/21 (Pre-refunded 11/15/14) | | 11/14 at 100 |
| ----- | | | |
| 8,780 | Total Oregon | | |
| ----- | | | |

28

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|---|-----------------------|
| PENNSYLVANIA - 4.4% (2.7% OF TOTAL INVESTMENTS) | | |
| \$ 980 | Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds, School Lane Charter School, Series 2007A, 5.000%, 3/15/37 | 3/17 at 100 |
| | Lancaster Higher Education Authority, Pennsylvania, Revenue Bonds, Franklin and Marshall College, Series 2003C: | |
| 1,340 | 5.250%, 4/15/15 | 4/13 at 100 |
| 1,960 | 5.250%, 4/15/17 | 4/13 at 100 |
| 1,000 | Pennsylvania State University, General Revenue Bonds, Series 2005, 5.000%, 9/01/29 | 9/15 at 100 |
| 2,625 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/26 - AMBAC Insured | 6/16 at 100 |
| | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1: | |
| 4,505 | 5.000%, 9/01/21 - FSA Insured | 9/14 at 100 |
| 4,735 | 5.000%, 9/01/22 - FSA Insured | 9/14 at 100 |
| 8,405 | Philadelphia Redevelopment Authority, Pennsylvania, Multifamily Housing Mortgage Revenue Bonds, Cricket Court Apartments, Series 1998A, 6.200%, 4/01/25 | 4/08 at 103 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

(Alternative Minimum Tax)

| | | |
|---|---|--------------|
| 14,000 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District, Series 2003, 5.250%, 6/01/24 (Pre-refunded 6/01/13) - FSA Insured | 6/13 at 100 |
| ----- | | |
| 39,550 | Total Pennsylvania | |
| ----- | | |
| PUERTO RICO - 0.3% (0.2% OF TOTAL INVESTMENTS) | | |
| 2,500 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Series 2007A, 5.250%, 8/01/57 | 8/17 at 100 |
| ----- | | |
| SOUTH CAROLINA - 6.7% (4.1% OF TOTAL INVESTMENTS) | | |
| 8,610 | Dorchester County School District 2, South Carolina, Installment Purchase Revenue Bonds, GROWTH, Series 2004, 5.250%, 12/01/24 | 12/14 at 100 |
| | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2003: | |
| 5,090 | 5.250%, 12/01/18 | 12/13 at 100 |
| 3,595 | 5.250%, 12/01/20 | 12/13 at 100 |
| 1,865 | 5.250%, 12/01/21 | 12/13 at 100 |
| | Lexington County Health Service District, South Carolina, Hospital Revenue Bonds, Series 2004: | |
| 1,805 | 6.000%, 5/01/19 (Pre-refunded 5/01/14) | 5/14 at 100 |
| 2,400 | 5.500%, 5/01/24 (Pre-refunded 5/01/14) | 5/14 at 100 |
| | South Carolina JOBS Economic Development Authority, Hospital Refunding and Improvement Revenue Bonds, Palmetto Health Alliance, Series 2003C: | |
| 13,345 | 6.375%, 8/01/34 (Pre-refunded 8/01/13) | 8/13 at 100 |
| 1,655 | 6.375%, 8/01/34 (Pre-refunded 8/01/13) | 8/13 at 100 |
| | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B: | |
| 8,915 | 6.000%, 5/15/22 | 5/11 at 101 |
| 7,500 | 6.375%, 5/15/28 | 5/11 at 101 |
| 4,150 | 6.375%, 5/15/30 | No Opt. C |
| ----- | | |
| 58,930 | Total South Carolina | |
| ----- | | |
| TENNESSEE - 1.6% (1.0% OF TOTAL INVESTMENTS) | | |
| 6,400 | Johnson City Health and Educational Facilities Board, Tennessee, Revenue Bonds, Mountain States Health Alliance, Series 2006A, 5.500%, 7/01/36 | 7/16 at 100 |
| 6,100 | Knox County Health, Educational and Housing Facilities Board, Tennessee, Hospital Revenue Refunding Bonds, Covenant | 1/17 at 31 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Health, Series 2006, 0.000%, 1/01/40

29

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|--|--------------------------|
| ----- | | |
| TENNESSEE (continued) | | |
| \$ 410 | Sullivan County Health Educational and Housing Facilities Board, Tennessee, Revenue Bonds, Wellmont Health System, Series 2006C, 5.250%, 9/01/36 | 9/16 at 100 |
| 1,300 | Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007: 5.500%, 11/01/37 | 11/17 at 100 |
| 3,000 | 5.500%, 11/01/46 | 11/17 at 100 |
| 2,705 | Tennessee Housing Development Agency, Homeownership Program Bonds, Series 2004, 5.000%, 7/01/34 (Alternative Minimum Tax) | 7/13 at 100 |
| ----- | | |
| 19,915 | Total Tennessee | |
| ----- | | |
| TEXAS - 15.3% (9.4% OF TOTAL INVESTMENTS) | | |
| 5,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 2007, 5.250%, 12/01/29 (Alternative Minimum Tax) | 12/12 at 100 |
| 3,240 | Austin Housing Finance Corporation, Texas, GNMA Collateralized Multifamily Housing Revenue Bonds, Fairway Village Project, Series 2000A, 7.375%, 6/20/35 (Alternative Minimum Tax) | 12/10 at 105 |
| 8,840 | Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB) | 2/17 at 100 |
| 2,150 | Brazos River Authority, Texas, Pollution Control Revenue Bonds, TXU Energy Company LLC Project, Series 2003C, 6.750%, 10/01/38 (Alternative Minimum Tax) | 10/13 at 101 |
| 175 | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000, 6.000%, 2/15/16 | 2/10 at 100 |
| 660 | Harlingen Housing Finance Corporation, Texas, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 2000A, 6.700%, 9/01/33 (Alternative Minimum Tax) | 9/10 at 105 |
| 3,380 | Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 1990, 7.400%, 2/15/10 - AMBAC Insured | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| 1,000 | Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 1990, 7.400%, 2/15/10 - AMBAC Insured (ETM) | No Opt. C |
| 19,125 | Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 2000, 6.000%, 2/15/15 (Pre-refunded 8/15/10) - MBIA Insured | 8/10 at 100 |
| 4,000 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at 100 |
| 5,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/25 - MBIA Insured | 5/14 at 100 |
| 6,000 | Houston, Texas, General Obligation Public Improvement Bonds, Series 2001B, 5.500%, 3/01/15 - FSA Insured | 3/11 at 100 |
| 9,250 | Houston, Texas, Subordinate Lien Airport System Revenue Bonds, Series 2000B, 5.500%, 7/01/30 (Pre-refunded 7/01/10) - FSA Insured | 7/10 at 100 |
| 4,660 | Hutto Independent School District, Williamson County, Texas, General Obligation Bonds, Series 2007, Residuals 07-1001, 6.678%, 8/01/43 (IF) | 8/16 at 100 |
| | Kerrville Health Facilities Development Corporation, Texas, Revenue Bonds, Sid Peterson Memorial Hospital Project, Series 2005: | |
| 2,000 | 5.250%, 8/15/21 | No Opt. C |
| 2,500 | 5.125%, 8/15/26 | No Opt. C |
| 1,505 | Lower Colorado River Authority, Texas, Contract Revenue Refunding Bonds, Transmission Services Corporation, Series 2003C, 5.250%, 5/15/23 - AMBAC Insured | 5/13 at 100 |
| 245 | Lower Colorado River Authority, Texas, Revenue Refunding and Improvement Bonds, Series 2003, 5.250%, 5/15/24 (Pre-refunded 5/15/13) - AMBAC Insured | 5/13 at 100 |

30

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 3,155 | Lower Colorado River Authority, Texas, Revenue Refunding and Improvement Bonds, Series 2003, 5.250%, 5/15/24 - AMBAC Insured | 5/13 at 100 |
| 6,670 | Pearland Independent School District, Brazoria County, Texas, General Obligation Bonds, Series 2007, Rites-PA- 1449, 6.281%, 2/15/32 (IF) | 2/17 at 100 |
| 2,000 | Sabine River Authority, Texas, Pollution Control Revenue Bonds, TXU Electric Company, Series 2001C, 5.200%, 5/01/28 | 11/15 at 100 |
| 9,930 | Tarrant County Cultural & Educational Facilities Financing | 2/17 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Corporation, Texas, Revenue Bonds, Series 2007A,
5.000%, 2/15/36

| | | |
|---------|--|--------------|
| 10,810 | Tarrant County Health Facilities Development Corporation, Texas, GNMA Collateralized Mortgage Loan Revenue Bonds, Eastview Nursing Home, Ebony Lake Nursing Center, Ft. Stockton Nursing Center, Lynnhaven Nursing Center and Mission Oaks Manor, Series 2000A-1, 7.625%, 12/20/32 | 12/10 at 105 |
| 4,000 | Tarrant County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Adventist Health System - Sunbelt Obligated Group, Series 2000, 6.700%, 11/15/30 (Pre-refunded 11/15/10) | 11/10 at 101 |
| 5,000 | Tarrant Regional Water District, Texas, Water Revenue Refunding and Improvement Bonds, Series 1999, 5.250%, 3/01/17 - FSA Insured | 3/13 at 100 |
| 4,000 | Texas A&M University, Financing System Revenue Bonds, Series 1999, 5.550%, 5/15/29 (Pre-refunded 5/15/09) - MBIA Insured | 5/09 at 100 |
| 25,000 | Texas Turnpike Authority, First Tier Revenue Bonds, Central Texas Turnpike System, Series 2002A, 0.000%, 8/15/24 - AMBAC Insured | No Opt. C |
| 3,335 | Texas, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2007, Residuals 1873, 6.093%, 4/01/33 (IF) | 4/17 at 100 |
| 2,500 | Tomball Hospital Authority, Texas, Hospital Revenue Bonds, Tomball Regional Hospital, Series 2005, 5.000%, 7/01/20 | 7/15 at 100 |
| 155,130 | Total Texas | |

UTAH - 0.1% (0.0% OF TOTAL INVESTMENTS)

| | | |
|-----|--|-------------|
| 710 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1997F, 5.750%, 7/01/28 (Alternative Minimum Tax) | 1/08 at 101 |
|-----|--|-------------|

VIRGINIA - 0.6% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,765 | Virginia Beach Development Authority, Virginia, Multifamily Residential Rental Housing Revenue Bonds, Mayfair Apartments I and II, Series 1999, 7.500%, 10/01/39 (Alternative Minimum Tax) | 10/14 at 100 |
|-------|--|--------------|

WASHINGTON - 3.6% (2.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,500 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Columbia Generating Station - Nuclear Project 2, Series 2002C, 5.750%, 7/01/17 - MBIA Insured | 7/12 at 100 |
| 3,125 | Skagit County Public Hospital District 1, Washington, General Obligation Bonds, Series 2004A, 5.375%, 12/01/20 - | 6/14 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| MBIA Insured | | |
|--------------|---|--------------|
| 5,000 | Snohomish County, Washington, Limited Tax General Obligation Bonds, Series 2001, 5.250%, 12/01/26 - MBIA Insured | 12/11 at 100 |
| 7,775 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| 4,750 | Washington State Healthcare Facilities Authority, Revenue Bonds, Swedish Health Services, Series 1998, 5.125%, 11/15/22 - AMBAC Insured | 11/08 at 101 |
| 6,480 | Washington State, Motor Vehicle Fuel Tax General Obligation Bonds, Series 2002-03C, 0.000%, 6/01/24 - MBIA Insured | No Opt. C |
| 11,000 | Washington, General Obligation Bonds, Series 2000S-5, 0.000%, 1/01/20 - FGIC Insured | No Opt. C |
| ----- | | |
| 40,630 | Total Washington | |
| ----- | | |

31

NPI

Nuveen Premium Income Municipal Fund, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL PROVISIONS |
|--|---|---------------------|
| ----- | | |
| WISCONSIN - 3.4% (2.1% OF TOTAL INVESTMENTS) | | |
| Milwaukee Redevelopment Authority, Wisconsin, Lease Revenue Bonds, Public Schools, Series 2003A: | | |
| \$ 1,000 | 5.125%, 8/01/22 (Pre-refunded 8/01/13) - AMBAC Insured | 8/13 at 100 |
| 750 | 5.125%, 8/01/23 (Pre-refunded 8/01/13) - AMBAC Insured | 8/13 at 100 |
| 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Agnesian Healthcare Inc., Series 2001, 6.000%, 7/01/21 | 7/11 at 100 |
| 9,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Healthcare Inc., Series 2003, 6.400%, 4/15/33 | 4/13 at 100 |
| 2,175 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Carroll College Inc., Series 2001, 6.125%, 10/01/16 | 10/11 at 100 |
| 790 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2006, 5.000%, 5/01/32 | 5/16 at 100 |
| 6,025 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity Healthcare Ministry, Series 2003A, 6.000%, 9/01/22 (Pre-refunded 9/01/13) | 9/13 at 100 |
| 4,995 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Charity HealthCare Ministry, Series 2007, 5.000%, 9/01/33 | 9/17 at 100 |
| 2,000 | Wisconsin Health and Educational Facilities Authority, Revenue | 8/13 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Bonds, Wheaton Franciscan Services Inc., Series 2003A,
5.250%, 8/15/25

| | | |
|-------|--|-------------|
| | Wisconsin, General Obligation Bonds, Series 2004-3: | |
| 175 | 5.250%, 5/01/19 - FGIC Insured | 5/14 at 100 |
| 1,265 | 5.250%, 5/01/21 - FGIC Insured | 5/14 at 100 |
| 1,545 | Wisconsin, General Obligation Bonds, Series 2004-3, 5.250%, 5/01/19 (Pre-refunded 5/01/14) - FGIC Insured | 5/14 at 100 |

30,720 Total Wisconsin

WYOMING - 0.4% (0.3% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,900 | Sweetwater County, Wyoming, Solid Waste Disposal Revenue Bonds, FMC Corporation, Series 2005, 5.600%, 12/01/35 (Alternative Minimum Tax) | 12/15 at 100 |
|-------|--|--------------|

\$ 1,653,273 Total Investments (cost \$1,493,793,311) - 163.7%
=====

Floating Rate Obligations - (10.0)%

Other Assets Less Liabilities - 2.1%

Preferred Shares, at Liquidation Value - (55.8)%

Net Assets Applicable to Common Shares - 100%
=====

32

FORWARD SWAPS OUTSTANDING AT OCTOBER 31, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|----------------|--------------------|------------------------------|------------------------|----------------------------|------------------------------------|------------|
| | | PAY/RECEIVE FLOATING RATE | | | | |
| Citigroup Inc. | \$15,000,000 | Receive | 3-Month USD-LIBOR | 5.235% | Semi-Annually | 12/ |
| JPMorgan | 31,000,000 | Receive | 3-Month USD-LIBOR | 5.060 | Semi-Annually | 12/ |

USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate)

The Fund may invest in "zero coupon" securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the Portfolio of Investments with a 0.000% coupon rate in their description. The market prices

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (5) Portion of investment, with an aggregate market value of \$374,403, has been pledged to collateralize the net payment obligations under forward swap contracts.
- (6) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

33

NPM
Nuveen Premium Income Municipal Fund 2, Inc.
Portfolio of INVESTMENTS

October 31, 2007

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|-----------------|--------------------------|
|---------------------------|-----------------|--------------------------|

ALABAMA - 5.2% (3.1% OF TOTAL INVESTMENTS)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|-------|--------|--|--------------|
| \$ | 2,995 | Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/39 | 11/16 at 100 |
| | | Birmingham Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Health System Inc., Series 2005A: | |
| | 3,600 | 5.250%, 11/15/20 | 11/15 at 100 |
| | 1,000 | 5.000%, 11/15/30 | 11/15 at 100 |
| | 12,000 | Birmingham Waterworks and Sewerage Board, Alabama, Water and Sewerage Revenue Bonds, Series 2007A, 4.500%, 1/01/39 - AMBAC Insured (UB) | 1/17 at 100 |
| | 1,560 | Courtland Industrial Development Board, Alabama, Pollution Control Revenue Bonds, International Paper Company, Series 2005A, 5.000%, 6/01/25 | 6/15 at 100 |
| | 1,690 | 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 |
| | 8,255 | University of South Alabama, Student Tuition Revenue Bonds, Series 2004, 5.000%, 3/15/24 - FGIC Insured | 3/14 at 100 |
| ----- | | | |
| | 31,100 | Total Alabama | |
| ----- | | | |

ARIZONA - 0.9% (0.5% OF TOTAL INVESTMENTS)

| | | | |
|-------|-------|---|--------------|
| | | Glendale Industrial Development Authority, Arizona, Revenue Bonds, John C. Lincoln Health Network, Series 2005B: | |
| | 200 | 5.250%, 12/01/24 | 12/15 at 100 |
| | 265 | 5.250%, 12/01/25 | 12/15 at 100 |
| | 2,850 | Maricopa County Industrial Development Authority, Arizona, Multifamily Housing Revenue Bonds, Place Five and The Greenery Apartments, Series 1996A, 6.625%, 1/01/27 (ETM) | 11/07 at 102 |
| | 1,695 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company, Series 1988A, 7.250%, 7/15/10 - FSA Insured | 1/08 at 100 |
| ----- | | | |
| | 5,010 | Total Arizona | |
| ----- | | | |

ARKANSAS - 0.2% (0.1% OF TOTAL INVESTMENTS)

| | | | |
|-------|-------|--|-------------|
| | 1,000 | Washington County, Arkansas, Hospital Revenue Bonds, Washington Regional Medical Center, Series 2005B, 5.000%, 2/01/25 | 2/15 at 100 |
| ----- | | | |

CALIFORNIA - 16.5% (10.1% OF TOTAL INVESTMENTS)

| | | | |
|--|-------|--|-------------|
| | 5,690 | California Department of Veterans Affairs, Home Purchase Revenue Bonds, Series 2002A, 5.300%, 12/01/21 - AMBAC Insured | 6/12 at 101 |
|--|-------|--|-------------|

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|-------|--|--|-------------|
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | | |
| 4,000 | 6.000%, 5/01/15 (Pre-refunded 5/01/12) | | 5/12 at 101 |
| 5,500 | 5.375%, 5/01/21 (Pre-refunded 5/01/12) | | 5/12 at 101 |
| | California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A: | | |
| 3,255 | 0.000%, 10/01/23 - MBIA Insured | | No Opt. C |
| 5,890 | 0.000%, 10/01/24 - MBIA Insured | | No Opt. C |
| 7,615 | 0.000%, 10/01/25 - MBIA Insured | | No Opt. C |

34

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|---|-----------------------|
| | CALIFORNIA (continued) | |
| \$ 6,240 | California Health Facilities Financing Authority, Revenue Bonds, Cedars-Sinai Medical Center, Series 2005, 5.000%, 11/15/27 | 11/15 at 100 |
| 2,500 | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 | 11/16 at 100 |
| 2,055 | California Infrastructure Economic Development Bank, Infrastructure State Revolving Fund Revenue Bonds, Series 2004, 5.000%, 10/01/21 | 10/14 at 100 |
| 1,000 | California Statewide Community Development Authority, Revenue Bonds, Daughters of Charity Health System, Series 2005A, 5.000%, 7/01/39 | 7/15 at 100 |
| 2,500 | California, Economic Recovery Revenue Bonds, Series 2004A, 5.250%, 7/01/14 | No Opt. C |
| 3,500 | California, General Obligation Bonds, Series 2003, 5.000%, 2/01/32 | 8/13 at 100 |
| 8,000 | California, General Obligation Bonds, Series 2004, 5.125%, 2/01/25 | 2/14 at 100 |
| 1,900 | Chula Vista, California, Industrial Development Revenue Bonds, San Diego Gas and Electric Company, Series 1996A, 5.300%, 7/01/21 | 6/14 at 102 |
| 2,500 | Fontana Public Financing Authority, California, Tax Allocation Revenue Bonds, North Fontana Redevelopment Project, Series 2005A, 5.000%, 10/01/23 - AMBAC Insured | 10/15 at 100 |
| 30,000 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 0.000%, 1/01/21 (ETM) | No Opt. C |
| 1,385 | Fullerton Public Financing Authority, California, Tax Allocation Revenue Bonds, Series 2005, 5.000%, 9/01/27 - AMBAC Insured | 9/15 at 100 |
| 1,000 | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1, 5.750%, 6/01/47 | 6/17 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|-------------|
| | Perris, California, Special Tax Bonds, Community Facilities District 2001-1, May Farms Improvement Area 4, Series 2005A: | |
| 1,420 | 5.000%, 9/01/25 | 9/15 at 102 |
| 435 | 5.100%, 9/01/30 | 9/15 at 102 |
| | San Diego County, California, Certificates of Participation, Burnham Institute, Series 2006: | |
| 250 | 5.000%, 9/01/21 | 9/15 at 102 |
| 275 | 5.000%, 9/01/23 | 9/15 at 102 |
| 2,220 | San Diego Redevelopment Agency, California, Subordinate Lien Tax Allocation Bonds, Centre City Project, Series 2004A, 5.000%, 9/01/20 - XLCA Insured | 9/14 at 100 |
| 960 | San Francisco Redevelopment Agency, California, Hotel Tax Revenue Bonds, Series 1994, 6.750%, 7/01/25 - FSA Insured | 1/08 at 100 |
| | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: | |
| 4,595 | 0.000%, 1/15/32 - MBIA Insured (UB) | No Opt. C |
| 32,400 | 0.000%, 1/15/34 - MBIA Insured (UB) | No Opt. C |
| 6,000 | San Jose Redevelopment Agency, California, Tax Allocation Bonds, Merged Area Redevelopment Project, Series 2004A, 5.250%, 8/01/19 - MBIA Insured | 8/14 at 100 |
| 3,000 | Walnut Energy Center Authority, California, Electric Revenue Bonds, Turlock Irrigation District, Series 2004A, 5.000%, 1/01/34 - AMBAC Insured | 1/14 at 100 |

| | | |
|---------|------------------|--|
| 146,085 | Total California | |
|---------|------------------|--|

COLORADO - 2.3% (1.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,700 | Centennial Water and Sanitation District, Colorado, Water and Sewerage Revenue Bonds, Series 2004, 5.000%, 12/01/22 - FGIC Insured | 12/14 at 100 |
| | Colorado Health Facilities Authority, Revenue Bonds, Evangelical Lutheran Good Samaritan Society, Series 2005: | |
| 1,745 | 5.250%, 6/01/23 | 6/16 at 100 |
| 475 | 5.000%, 6/01/29 | 6/16 at 100 |

35

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| <hr/> | | |
| | COLORADO (continued) | |
| \$ 400 | Colorado Health Facilities Authority, Revenue Bonds, Poudre Valley Health Care, Series 2005F, 5.000%, 3/01/25 | 3/15 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|---|--------------|
| 75 | Colorado Housing Finance Authority, Single Family Program Senior Bonds, Series 1995D, 7.375%, 6/01/26 (Alternative Minimum Tax) | 12/07 at 104 |
| 355 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Opt. C |
| 6,925 | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2006, 5.125%, 12/01/25 - XLCA Insured | 11/16 at 100 |
| 1,700 | Denver, Colorado, FHA-Insured Multifamily Housing Revenue Bonds, Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) | 4/08 at 102 |

| | | |
|--------|----------------|--|
| 13,375 | Total Colorado | |
|--------|----------------|--|

CONNECTICUT - 0.9% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 5,000 | Connecticut, Special Tax Obligation Transportation Infrastructure Purpose Bonds, Series 2003B, 5.000%, 1/01/21 - FGIC Insured | 1/14 at 100 |
|-------|---|-------------|

DISTRICT OF COLUMBIA - 2.4% (1.5% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| | District of Columbia, Revenue Bonds, Georgetown University, Series 2001A: | |
| 11,720 | 0.000%, 4/01/27 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 39 |
| 13,780 | 0.000%, 4/01/28 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 37 |
| 15,855 | 0.000%, 4/01/29 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 35 |
| 1,335 | Washington Convention Center Authority, District of Columbia, Senior Lien Dedicated Tax Revenue Bonds, Series 2007, Residuals 1606, 6.094%, 10/01/30 - AMBAC Insured (IF) | 10/16 at 100 |

| | | |
|--------|----------------------------|--|
| 42,690 | Total District of Columbia | |
|--------|----------------------------|--|

FLORIDA - 3.4% (2.1% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 4,230 | Brevard County Health Facilities Authority, Florida, Revenue Bonds, Health First Inc. Project, Series 2005, 5.000%, 4/01/24 | 4/16 at 100 |
| 5,000 | Dade County, Florida, Aviation Revenue Bonds, Series 1996A, 5.750%, 10/01/18 - MBIA Insured (Alternative Minimum Tax) | 4/08 at 101 |
| 2,500 | Escambia County Health Facilities Authority, Florida, Health Facility Revenue Refunding Bonds, Baptist Hospital and Baptist Manor, Series 1998, 5.125%, 10/01/19 | 10/08 at 101 |
| 555 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, Series 2000-11, 5.850%, 1/01/22 - FSA Insured (Alternative Minimum Tax) | 1/10 at 100 |
| 3,600 | Hillsborough County Industrial Development Authority, Florida, | 4/10 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|-------------|
| | Exempt Facilities Remarketed Revenue Bonds, National Gypsum Company, Apollo Beach Project, Series 2000B, 7.125%, 4/01/30 (Alternative Minimum Tax) | |
| 1,700 | Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured | 5/12 at 102 |
| 2,455 | South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 | 8/17 at 100 |
| ----- | | |
| 20,040 | Total Florida | |
| ----- | | |

GEORGIA - 1.7% (1.0% OF TOTAL INVESTMENTS)

| | | |
|-----|---|--------------|
| 500 | Chatham County Hospital Authority, Savannah, Georgia, Hospital Revenue Bonds, Memorial Health University Medical Center Inc., Series 2004A, 5.375%, 1/01/26 | 1/14 at 100 |
| 10 | Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A, 5.250%, 11/01/15 (Pre-refunded 11/01/13) - MBIA Insured | 11/13 at 100 |

36

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|---|-----------------------|
| ----- | | |
| | GEORGIA (continued) | |
| | Municipal Electric Authority of Georgia, Combustion Turbine Revenue Bonds, Series 2003A: | |
| \$ 3,405 | 5.250%, 11/01/15 - MBIA Insured | 11/13 at 100 |
| 3,365 | 5.000%, 11/01/18 - MBIA Insured | 11/13 at 100 |
| 2,235 | Richmond County Development Authority, Georgia, Revenue Bonds, Medical College of Georgia, Cancer Research Center Project, Series 2004A, 5.000%, 12/15/24 - AMBAC Insured | 12/14 at 100 |
| ----- | | |
| 9,515 | Total Georgia | |
| ----- | | |

IDAHO - 0.9% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 205 | Idaho Housing Agency, Senior Lien Single Family Mortgage Bonds, Series 1995F, 6.450%, 7/01/27 (Alternative Minimum Tax) | 1/08 at 100 |
| 3,160 | Idaho Housing and Finance Association, GNMA Housing Revenue Refunding Bonds, Wedgewood Terrace Project, Series 2002A-1, 7.250%, 3/20/37 | 3/12 at 105 |
| 225 | Idaho Housing and Finance Association, Single Family Mortgage | 1/08 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|-------------|
| | Bonds, Series 1996G, 6.350%, 7/01/26 (Alternative Minimum Tax) | |
| 225 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000B, 6.250%, 7/01/22 (Alternative Minimum Tax) | 1/10 at 100 |
| 355 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, Series 2000E, 5.950%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 100 |
| 1,000 | Madison County, Idaho, Hospital Revenue Certificates of Participation, Madison Memorial Hospital, Series 2006, 5.250%, 9/01/30 | 9/16 at 100 |
| ----- | | |
| 5,170 | Total Idaho | |
| ----- | | |

ILLINOIS - 16.9% (10.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 5,000 | Chicago Board of Education, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Opt. C |
| 17,700 | Chicago Greater Metropolitan Area Sanitary District, Illinois, General Obligation Bonds, Series 2006, 5.000%, 12/01/35 (UB) | 12/16 at 100 |
| 22,670 | Chicago, Illinois, General Obligation Bonds, City Colleges, Series 1999, 0.000%, 1/01/25 - FGIC Insured | No Opt. C |
| 620 | Chicago, Illinois, General Obligation Refunding Bonds, Series 1998, 5.250%, 1/01/20 - FGIC Insured | 7/08 at 102 |
| 120 | Chicago, Illinois, General Obligation Refunding Bonds, Series 1998, 5.250%, 1/01/20 (Pre-refunded 7/01/08) - FGIC Insured | 7/08 at 102 |
| 1,175 | Chicago, Illinois, GNMA Collateralized Multifamily Housing Revenue Bonds, Bryn Mawr-Belle Shores Project, Series 1997, 5.800%, 6/01/23 (Alternative Minimum Tax) | 6/09 at 102 |
| 3,145 | Chicago, Illinois, Tax Increment Allocation Bonds, Read-Dunning Redevelopment Project, Series 1996B, 7.250%, 1/01/14 | 1/08 at 101 |
| 3,105 | Chicago, Illinois, Tax Increment Allocation Bonds, Sanitary Drainage and Ship Canal Redevelopment Project, Series 1997A, 7.750%, 1/01/14 | 1/08 at 101 |
| 4,865 | Cook County Community Consolidated School District 15, Palatine, Illinois, General Obligation Bonds, Series 2001, 0.000%, 12/01/20 - FGIC Insured (ETM) | No Opt. C |
| 6,190 | Cook County Community High School District 219, Niles Township, Illinois, General Obligation Capital Appreciation Bonds, Series 2001, 0.000%, 12/01/20 - MBIA Insured | No Opt. C |
| | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2004: | |
| 2,000 | 5.250%, 11/15/14 | 5/14 at 100 |
| 4,420 | 5.250%, 11/15/15 | 5/14 at 100 |
| 395 | Illinois Finance Authority, Revenue Bonds, Proctor Hospital, Series 2006, 5.125%, 1/01/25 | 1/16 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|---|-------------|
| 1,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.500%, 5/15/32 | 5/12 at 100 |
|-------|---|-------------|

37

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | ILLINOIS (continued) | |
| \$ 3,090 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | 7/13 at 100 |
| 3,000 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Lutheran General Health System, Series 1993C, 6.000%, 4/01/18 | No Opt. C |
| | Illinois Housing Development Authority, Housing Finance Bonds, Series 2000A: | |
| 420 | 5.750%, 9/01/10 (Alternative Minimum Tax) | 3/10 at 100 |
| 1,245 | 6.200%, 9/01/20 (Alternative Minimum Tax) | 3/10 at 100 |
| 11,000 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2001, 6.000%, 11/01/26 - FGIC Insured | No Opt. C |
| 2,000 | Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.500%, 2/01/18 - FGIC Insured | 2/12 at 100 |
| | Lake County Community Unit School District 60, Waukegan, Illinois, General Obligation Refunding Bonds, Series 2001B: | |
| 3,230 | 0.000%, 11/01/19 - FSA Insured | No Opt. C |
| 1,740 | 0.000%, 11/01/21 - FSA Insured | No Opt. C |
| 4,020 | Lake, Cook, Kane and McHenry Counties Community Unit School District 220, Barrington, Illinois, School Refunding Bonds, Series 2002, 5.250%, 12/01/20 - FSA Insured | No Opt. C |
| | Lombard Public Facilities Corporation, Illinois, Second Tier Conference Center and Hotel Revenue Bonds, Series 2005B: | |
| 855 | 5.250%, 1/01/25 | 1/16 at 100 |
| 1,750 | 5.250%, 1/01/30 | 1/16 at 100 |
| 17,945 | McHenry and Kane Counties Community Consolidated School District 158, Huntley, Illinois, General Obligation Bonds, Series 2003, 0.000%, 1/01/22 - FGIC Insured | No Opt. C |
| 2,910 | McHenry County Community High School District 154, Marengo, Illinois, Capital Appreciation School Bonds, Series 2001, 0.000%, 1/01/21 - FGIC Insured | No Opt. C |
| 2,540 | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A, 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

128,150 Total Illinois

INDIANA - 2.7% (1.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 1,000 | Ball State University, Indiana, Student Fee Revenue Bonds, Series 2002K, 5.750%, 7/01/20 - Insured | 1/12 at 100 |
| 3,500 | Indiana Bond Bank, Special Program Bonds, East Chicago Facilities Building Corporation, Series 2000A, 6.125%, 2/01/25 (Pre-refunded 2/01/10) - AMBAC Insured | 2/10 at 101 |
| | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000: | |
| 805 | 5.375%, 12/01/25 (Pre-refunded 12/01/10) | 12/10 at 100 |
| 4,195 | 5.375%, 12/01/25 (Pre-refunded 12/01/10) | 12/10 at 100 |
| | Indiana University, Student Fee Revenue Bonds, Series 2004P: | |
| 2,750 | 5.000%, 8/01/22 - AMBAC Insured | 8/14 at 100 |
| 1,600 | 5.000%, 8/01/24 - AMBAC Insured | 8/14 at 100 |
| 1,550 | St. Joseph County Hospital Authority, Indiana, Revenue Bonds, Madison Center Inc., Series 2005, 5.250%, 2/15/23 | 2/15 at 100 |

15,400 Total Indiana

IOWA - 1.9% (1.2% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,000 | Iowa Finance Authority, Healthcare Revenue Bonds, Genesis Medical Center, Series 2000, 6.250%, 7/01/25 | 7/10 at 100 |
| 8,000 | Iowa Tobacco Settlement Authority, Asset Backed Settlement Revenue Bonds, Series 2005C, 5.500%, 6/01/42 | 6/15 at 100 |

38

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|-----------------|--------------------------|
|---------------------------|-----------------|--------------------------|

IOWA (continued)

| | | |
|----------|--|-------------|
| \$ 2,000 | Iowa Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2001B, 5.300%, 6/01/25 (Pre-refunded 6/01/11) | 6/11 at 101 |
|----------|--|-------------|

12,000 Total Iowa

KANSAS - 0.0% (0.0% OF TOTAL INVESTMENTS)

| | | |
|-----|--|-----------|
| 105 | Sedgwick and Shawnee Counties, Kansas, GNMA Collateralized Single Family Mortgage Revenue Refunding Bonds, | No Opt. C |
|-----|--|-----------|

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Series 1994A-1, 7.900%, 5/01/24 (Alternative Minimum Tax)

LOUISIANA - 6.2% (3.8% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 385 | Bossier Public Trust Financing Authority, Louisiana, Single Family Mortgage Revenue Refunding Bonds, Series 1995B, 6.125%, 8/01/28 | 2/08 at 100 |
| 2,355 | East Baton Rouge Parish Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1994C, 6.350%, 10/01/28 (Alternative Minimum Tax) | 4/08 at 101 |
| 4,350 | Louisiana Citizens Property Insurance Corporation, Assessment Revenue Bonds, Series 2006, 5.000%, 6/01/22 - AMBAC Insured | 6/16 at 100 |
| 4,000 | Louisiana Public Facilities Authority, Hospital Revenue Bonds, Franciscan Missionaries of Our Lady Health System, Series 2005A, 5.250%, 8/15/31 | 8/15 at 100 |
| 2,700 | Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47 | 5/17 at 100 |
| | Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006: | |
| 5,920 | 4.500%, 5/01/41 - FGIC Insured (UB) | 5/16 at 100 |
| 14,550 | 4.750%, 5/01/39 - FSA Insured (UB) | 5/16 at 100 |
| 575 | New Orleans Home Mortgage Authority, Louisiana, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1995A, 6.300%, 6/01/28 (Alternative Minimum Tax) | 12/07 at 100 |
| 2,755 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured | 12/07 at 102 |

37,590 Total Louisiana

MARYLAND - 0.8% (0.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 1,865 | Baltimore, Maryland, Senior Lien Convention Center Hotel Revenue Bonds, Series 2006A, 5.250%, 9/01/26 - XLCA Insured | 9/16 at 100 |
| 1,205 | Maryland Economic Development Corporation, Student Housing Revenue Refunding Bonds, University of Maryland College Park Projects, Series 2006, 5.000%, 6/01/28 - CIFG Insured | 6/16 at 100 |
| 1,390 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, LifeBridge Health System, Series 2004A, 5.250%, 7/01/19 | 7/14 at 100 |

4,460 Total Maryland

MASSACHUSETTS - 6.7% (4.1% OF TOTAL INVESTMENTS)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|--------------|
| 2,195 | Massachusetts Development Finance Agency, Pioneer Valley Resource Recovery Revenue Bonds, Eco/Springfield LLC, Series 2000A, 8.375%, 7/01/14 (Alternative Minimum Tax) | No Opt. C |
| 1,770 | Massachusetts Development Finance Agency, Pioneer Valley Resource Recovery Revenue Bonds, Eco/Springfield LLC, Series 2006, 5.875%, 7/01/14 (Alternative Minimum Tax) | No Opt. C |
| 1,000 | Massachusetts Development Finance Authority, Revenue Bonds, Hampshire College, Series 2004, 5.700%, 10/01/34 | 10/14 at 100 |

39

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|--|-----------------------|
| ----- | | |
| | MASSACHUSETTS (continued) | |
| \$ 9,175 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System, Series 2001E, 5.700%, 10/01/25 - RAAI Insured | 10/11 at 101 |
| 1,100 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Caritas Christi Obligated Group, Series 1999A, 5.625%, 7/01/20 | 1/09 at 101 |
| 2,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, New England Medical Center Hospitals, Series 2002H, 5.000%, 5/15/25 - FGIC Insured | 5/12 at 100 |
| 1,265 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007, Residual Trust 7039, 6.272%, 8/01/46 - FSA Insured (IF) | 2/17 at 100 |
| | Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E: | |
| 11,400 | 5.250%, 1/01/21 (Pre-refunded 1/01/13) - FSA Insured | 1/13 at 100 |
| 1,850 | 5.250%, 1/01/21 (Pre-refunded 1/01/13) - FSA Insured | 1/13 at 100 |
| | Massachusetts, Special Obligation Dedicated Tax Revenue Bonds, Series 2004: | |
| 2,250 | 5.250%, 1/01/21 (Pre-refunded 1/01/14) - FGIC Insured | 1/14 at 100 |
| 4,000 | 5.250%, 1/01/24 (Pre-refunded 1/01/14) - FGIC Insured | 1/14 at 100 |
| ----- | | |
| 38,755 | Total Massachusetts | |
| ----- | | |

MICHIGAN - 4.0% (2.5% OF TOTAL INVESTMENTS)

Grand Rapids and Kent County Joint Building Authority, Michigan, Limited Tax General Obligation Bonds, Devos Place Project, Series 2001:

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| 7,660 | 0.000%, 12/01/21 | No Opt. C |
| 7,955 | 0.000%, 12/01/22 | No Opt. C |
| 8,260 | 0.000%, 12/01/23 | No Opt. C |
| 8,575 | 0.000%, 12/01/24 | No Opt. C |
| 1,200 | Kent Hospital Finance Authority, Michigan, Revenue Bonds, Metropolitan Hospital, Series 2005A, 6.000%, 7/01/35 | 7/15 at 100 |
| 1,500 | Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 | 12/16 at 100 |
| 1,935 | Michigan State Hospital Finance Authority, Revenue Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.375%, 8/15/09 | 2/08 at 100 |
| 340 | Monroe County Hospital Finance Authority, Michigan, Mercy Memorial Hospital Corporation Revenue Bonds, Series 2006, 5.500%, 6/01/35 | 6/16 at 100 |
| 3,270 | Romulus Community Schools, Wayne County, Michigan, General Obligation Bonds, Series 2003, 5.000%, 5/01/22 | 5/13 at 100 |
| ----- | | |
| 40,695 | Total Michigan | |
| ----- | | |

MINNESOTA - 4.3% (2.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 8,165 | Cohasset, Minnesota, Pollution Control Revenue Bonds, Allete Inc., Series 2004, 4.950%, 7/01/22 | 7/14 at 100 |
| 1,000 | Minneapolis-St. Paul Housing and Redevelopment Authority, Minnesota, Revenue Bonds, HealthPartners Inc., Series 2003: 6.000%, 12/01/18 | 12/13 at 100 |
| 1,050 | 5.875%, 12/01/29 | 12/13 at 100 |
| 2,400 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/25 (Pre-refunded 1/01/11) - FGIC Insured | 1/11 at 100 |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 (Pre-refunded 1/01/11) - FGIC Insured | 1/11 at 100 |
| 1,375 | Minnesota Higher Education Facilities Authority, St. John's University Revenue Bonds, Series 2005-6G, 5.000%, 10/01/22 | 10/15 at 100 |
| 310 | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured | 2/08 at 100 |

40

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|-----------------|--------------------------|
|---------------------------|-----------------|--------------------------|

MINNESOTA (continued)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|-------|--------|---|--------------|
| \$ | 575 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1996G, 6.250%, 7/01/26 (Alternative Minimum Tax) | 1/08 at 100 |
| | 850 | Minnesota Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000C, 6.100%, 7/01/30 (Alternative Minimum Tax) | 7/09 at 100 |
| | 1,095 | Minnesota Housing Finance Agency, Single Family Remarketed Mortgage Bonds, Series 1998H-2, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at 101 |
| | 1,000 | Minnesota Municipal Power Agency, Electric Revenue Bonds, Series 2004A, 5.250%, 10/01/19 | 10/14 at 100 |
| | 2,000 | Southern Minnesota Municipal Power Agency, Power Supply System Revenue Bonds, Series 1992B, 5.750%, 1/01/11 (ETM) | 12/07 at 100 |
| | 1,620 | St. Louis Park, Minnesota, Revenue Bonds, Park Nicollet Health Services, Series 2003B, 5.500%, 7/01/25 | 7/14 at 100 |
| | 1,000 | St. Paul Housing and Redevelopment Authority, Minnesota, Revenue Bonds, Healtheast Inc., Series 2005, 6.000%, 11/15/25 | 11/15 at 100 |
| ----- | | | |
| | 25,440 | Total Minnesota | |
| ----- | | | |
| | | MISSISSIPPI - 0.6% (0.4% OF TOTAL INVESTMENTS) | |
| | 3,675 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100 |
| ----- | | | |
| | | MISSOURI - 4.2% (2.6% OF TOTAL INVESTMENTS) | |
| | 2,000 | Cole County Industrial Development Authority, Missouri, Revenue Bonds, Lutheran Senior Services - Heisinger Project, Series 2004, 5.250%, 2/01/24 | 2/14 at 100 |
| | 200 | Hannibal Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Hannibal Regional Hospital, Series 2006, 5.000%, 3/01/22 | 3/16 at 100 |
| | 2,885 | Joplin Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Freeman Health System, Series 2004, 5.500%, 2/15/24 | 2/15 at 102 |
| | 9,000 | Kansas City, Missouri, Airport Revenue Bonds, General Improvement Projects, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | 9/12 at 100 |
| | 780 | Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds, Branson Landing Project, Series 2005A: 6.000%, 6/01/20 | No Opt. C |
| | 1,225 | 5.000%, 6/01/35 | 6/15 at 100 |
| | 2,500 | Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.125%, 5/15/24 | 5/13 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|-------------|
| 1,200 | Missouri Health and Educational Facilities Authority, Revenue Bonds, Lake Regional Health System, Series 2003, 5.125%, 2/15/18 | 2/14 at 100 |
| 1,250 | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A, 5.250%, 6/01/21 - AMBAC Insured | 6/11 at 101 |
| | Missouri Health and Educational Facilities Authority, Revenue Bonds, SSM Healthcare System, Series 2001A: | |
| 1,250 | 5.250%, 6/01/21 (Pre-refunded 6/01/11) - AMBAC Insured | 6/11 at 101 |
| 2,000 | 5.250%, 6/01/28 (Pre-refunded 6/01/11) - AMBAC Insured | 6/11 at 101 |
| ----- | | |
| 24,290 | Total Missouri | |
| ----- | | |

NEBRASKA - 1.2% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,470 | Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series 2003A, 5.250%, 4/01/23 - FSA Insured | 4/13 at 100 |
| 4,670 | Omaha Public Power District, Nebraska, Separate Electric System Revenue Bonds, Nebraska City 2, Series 2006A, 5.000%, 2/01/49 - AMBAC Insured (UB) | 2/17 at 100 |

41

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|---|-----------------------|
| ----- | | |
| | NEBRASKA (continued) | |
| \$ 1,000 | University of Nebraska, Lincoln, Student Fees and Facilities Revenue Bonds, Series 2003B, 5.000%, 7/01/33 | 11/13 at 100 |
| ----- | | |
| 7,140 | Total Nebraska | |
| ----- | | |

NEVADA - 3.5% (2.2% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 10,410 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 (Pre-refunded 6/15/12) - MBIA Insured | 6/12 at 100 |
| 5,795 | Clark County, Nevada, Motor Vehicle Fuel Tax Highway Improvement Revenue Bonds, Series 2003, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at 100 |
| 4,000 | Clark County, Nevada, Subordinate Lien Airport Revenue Bonds, Series 2004A-2, 5.125%, 7/01/25 - FGIC Insured | 7/14 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--------------|--|
| 20,205 | Total Nevada | |
|--------|--------------|--|

| | | |
|--|---|--------------|
| NEW JERSEY - 6.6% (4.0% OF TOTAL INVESTMENTS) | | |
| 5,480 | Essex County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2003, 5.125%, 12/15/20 - FSA Insured | 12/13 at 100 |
| 135 | Essex County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2003, 5.125%, 12/15/20 (Pre-refunded 12/15/13) - FSA Insured | 12/13 at 100 |
| New Jersey Economic Development Authority, School Facilities Construction Bonds, Series 2005P: | | |
| 1,325 | 5.250%, 9/01/24 | 9/15 at 100 |
| 1,000 | 5.250%, 9/01/26 | 9/15 at 100 |
| 3,675 | New Jersey Housing and Mortgage Finance Agency, Multifamily Housing Revenue Bonds, Series 1997A, 5.650%, 5/01/40 - AMBAC Insured (Alternative Minimum Tax) | 11/07 at 101 |
| 3,400 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/22 (Pre-refunded 6/15/13) | 6/13 at 100 |
| 3,425 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006A, 5.250%, 12/15/20 | No Opt. C |
| 4,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/19 - FGIC Insured | 7/13 at 100 |
| 3,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2005A, 5.000%, 1/01/24 - FSA Insured | 1/15 at 100 |
| 10,500 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 5.000%, 6/01/29 | 6/17 at 100 |
| 3,315 | Union County Utilities Authority, New Jersey, Solid Waste Facility Subordinate Lease Revenue Bonds, Ogden Martin Systems of Union Inc., Series 1998A, 5.350%, 6/01/23 - AMBAC Insured (Alternative Minimum Tax) | 6/08 at 101 |

| | | |
|--------|------------------|--|
| 39,255 | Total New Jersey | |
|--------|------------------|--|

| | | |
|--|---|-------------|
| NEW YORK - 15.9% (9.7% OF TOTAL INVESTMENTS) | | |
| 5,000 | Dormitory Authority of the State of New York, FHA-Insured Revenue Bonds, Montefiore Medical Center, Series 2005, 5.000%, 2/01/28 - FGIC Insured | 2/15 at 100 |
| Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: | | |
| 1,975 | 6.375%, 7/01/16 - RAAI Insured | 7/09 at 101 |
| 2,080 | 6.375%, 7/01/17 - RAAI Insured | 7/09 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|--------------|
| 1,500 | Dormitory Authority of the State of New York, State and Local Appropriation Lease Bonds, Upstate Community Colleges, Series 2004B, 5.250%, 7/01/19 | 7/14 at 100 |
| 1,250 | Hempstead Town Industrial Development Agency, New York, Revenue Bonds, Adelphi University, Civic Facility Project, Series 2005, 5.000%, 10/01/30 | 10/15 at 100 |

42

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 150 | Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Driver Trust 1649, 2006, 6.058%, 2/15/47 - MBIA Insured (IF) | 2/17 at 100 |
| 4,580 | Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured (UB) | 2/17 at 100 |
| 3,300 | Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2006F, 4.250%, 5/01/33 - MBIA Insured (UB) | 11/16 at 100 |
| 4,600 | Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series 2005F, 5.000%, 11/15/30 | 11/15 at 100 |
| | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2004B: | |
| 6,875 | 5.000%, 8/01/23 | 8/13 at 100 |
| 7,260 | 5.000%, 8/01/24 | 8/13 at 100 |
| 2,500 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2004C, 5.000%, 2/01/22 | 2/14 at 100 |
| 35 | New York City, New York, General Obligation Bonds, Fiscal Series 1996J, 5.500%, 2/15/26 | No Opt. C |
| 4,000 | New York City, New York, General Obligation Bonds, Fiscal Series 2004C, 5.250%, 8/15/20 | 8/14 at 100 |
| 2,150 | New York City, New York, General Obligation Bonds, Fiscal Series 2005J, 5.000%, 3/01/25 | 3/15 at 100 |
| 5,000 | New York City, New York, General Obligation Bonds, Fiscal Series 2005M, 5.000%, 4/01/24 | 4/15 at 100 |
| 7,420 | New York Convention Center Development Corporation, Hotel Unit Fee Revenue Bonds, Series 2005, 5.000%, 11/15/44 - AMBAC Insured (UB) | 11/15 at 100 |
| | New York State Municipal Bond Bank Agency, Special School Purpose Revenue Bonds, Series 2003C: | |
| 6,000 | 5.250%, 6/01/20 | 6/13 at 100 |
| 5,100 | 5.250%, 6/01/21 | 6/13 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| 2,835 | New York State Thruway Authority, Highway and Bridge Trust Fund Bonds, Second Generation, Series 2005B, 5.000%, 4/01/24 - AMBAC Insured | 10/15 at 100 |
| | New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003A-1: | |
| 3,400 | 5.500%, 6/01/16 | 6/10 at 100 |
| 2,000 | 5.500%, 6/01/19 | 6/13 at 100 |
| 6,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Fortieth Series 2005, 5.000%, 12/01/27 - XLCA Insured | 6/15 at 101 |
| 6,250 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 6.250%, 12/01/15 - MBIA Insured (Alternative Minimum Tax) | No Opt. C |
| 1,000 | Rensselaer County Industrial Development Agency, New York, Civic Facility Revenue Bonds, Rensselaer Polytechnic Institute, Series 2006, 5.000%, 3/01/26 | 3/16 at 100 |
| 92,260 | Total New York | |

NORTH CAROLINA - 1.1% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,195 | Durham Urban Redevelopment Authority, North Carolina, FHA-Insured Mortgage Loan Revenue Bonds, Durham Hosiery Mill, Series 1987, 7.500%, 8/01/29 (Alternative Minimum Tax) | 2/08 at 105 |
| 510 | North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series 1996JJ, 6.450%, 9/01/27 (Alternative Minimum Tax) | 3/08 at 100 |
| | North Carolina Infrastructure Finance Corporation, Certificates of Participation, Correctional Facilities, Series 2004A: | |
| 1,250 | 5.000%, 2/01/21 | 2/14 at 100 |
| 2,445 | 5.000%, 2/01/22 | 2/14 at 100 |
| 6,400 | Total North Carolina | |

43

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| | NORTH DAKOTA - 0.2% (0.1% OF TOTAL INVESTMENTS) | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

\$ 1,135 North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 2000C, 6.150%, 7/01/31 (Alternative Minimum Tax) 7/10 at 100

OHIO - 4.6% (2.8% OF TOTAL INVESTMENTS)

Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2:

| | | |
|-------|-----------------|-------------|
| 90 | 5.125%, 6/01/24 | 6/17 at 100 |
| 900 | 5.875%, 6/01/30 | 6/17 at 100 |
| 845 | 5.750%, 6/01/34 | 6/17 at 100 |
| 1,965 | 5.875%, 6/01/47 | 6/17 at 100 |

3,000 Columbus City School District, Franklin County, Ohio, General Obligation Bonds, Series 2004, 5.250%, 12/01/24 (Pre-refunded 12/01/14) - FSA Insured 12/14 at 100

Franklin County, Ohio, Hospital Revenue Bonds, OhioHealth Corporation, Series 2003C:

| | | |
|-------|--------------------------------|-------------|
| 2,330 | 5.250%, 5/15/17 - MBIA Insured | 5/13 at 100 |
| 4,105 | 5.250%, 5/15/18 - MBIA Insured | 5/13 at 100 |

2,000 Ohio Housing Finance Agency, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Courtyards of Kettering, Series 1998B-1, 5.550%, 1/01/40 (Alternative Minimum Tax) 1/08 at 102

5,850 Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) 9/08 at 102

6,200 Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power, Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) 9/09 at 102

27,285 Total Ohio

OKLAHOMA - 3.6% (2.2% OF TOTAL INVESTMENTS)

Norman Regional Hospital Authority, Oklahoma, Hospital Revenue Bonds, Series 2005:

| | | |
|-----|-----------------|-------------|
| 500 | 5.375%, 9/01/29 | 9/16 at 100 |
| 750 | 5.375%, 9/01/36 | 9/16 at 100 |

Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007:

| | | |
|-------|-----------------|-------------|
| 6,200 | 5.000%, 2/15/37 | 2/17 at 100 |
| 2,560 | 5.000%, 2/15/42 | 2/17 at 100 |

3,315 Oklahoma Municipal Power Authority, Power Supply System Revenue Bonds, Series 2007, Drivers 1742, 7.019%, 1/01/47 - FGIC Insured (IF) 1/17 at 100

5,000 Oklahoma State Student Loan Authority, Senior Lien Revenue Bonds, Series 2001A-1, 5.625%, 6/01/31 (Alternative Minimum Tax) 6/11 at 102

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|--------------|
| 3,660 | Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, 5.000%, 12/15/36 | 12/16 at 100 |
|-------|--|--------------|

| | | |
|--------|----------------|--|
| 21,985 | Total Oklahoma | |
|--------|----------------|--|

OREGON - 1.4% (0.8% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 7,860 | Multnomah County Hospital Facilities Authority, Oregon, Revenue Bonds, Sisters of Providence Health System, Series 2004, 5.500%, 10/01/21 | 10/14 at 100 |
|-------|---|--------------|

PENNSYLVANIA - 2.5% (1.5% OF TOTAL INVESTMENTS)

| | | |
|-------|--|--------------|
| 3,500 | Allegheny County Sanitary Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2005A, 5.000%, 12/01/23 - MBIA Insured | 12/15 at 100 |
|-------|--|--------------|

| | | |
|-------|---|-------------|
| 1,500 | Annville-Cleona School District, Lebanon County, Pennsylvania, General Obligation Bonds, Series 2005, 6.000%, 3/01/28 - FSA Insured | 3/15 at 100 |
|-------|---|-------------|

| | | |
|-----|--|-------------|
| 500 | Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds, School Lane Charter School, Series 2007A, 5.000%, 3/15/37 | 3/17 at 100 |
|-----|--|-------------|

44

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|-----------------|-----------------------|
|------------------------|-----------------|-----------------------|

PENNSYLVANIA (continued)

| | | |
|----------|---|-----------|
| \$ 1,050 | Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 1997B, 5.700%, 7/01/27 - AMBAC Insured | No Opt. C |
|----------|---|-----------|

| | | |
|-------|---|--------------|
| 5,850 | Pennsylvania Public School Building Authority, Lease Revenue Bonds, School District of Philadelphia, Series 2006B, 4.500%, 6/01/32 - FSA Insured (UB) | 12/16 at 100 |
|-------|---|--------------|

| | | |
|-------|--|-------------|
| 1,000 | Pennsylvania State University, General Revenue Bonds, Series 2005, 5.000%, 9/01/29 | 9/15 at 100 |
|-------|--|-------------|

| | | |
|-------|--|-------------|
| 1,050 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/26 - AMBAC Insured | 6/16 at 100 |
|-------|--|-------------|

| | | |
|--------|--------------------|--|
| 14,450 | Total Pennsylvania | |
|--------|--------------------|--|

RHODE ISLAND - 2.7% (1.7% OF TOTAL INVESTMENTS)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| | Rhode Island Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2002A: | |
| 10,000 | 6.000%, 6/01/23 | 6/12 at 100 |
| 6,000 | 6.125%, 6/01/32 | 6/12 at 100 |
| ----- | | |
| 16,000 | Total Rhode Island | |
| ----- | | |
| | SOUTH CAROLINA - 10.0% (6.1% OF TOTAL INVESTMENTS) | |
| 14,000 | Berkeley County School District, South Carolina, Installment Purchase Revenue Bonds, Securing Assets for Education, Series 2003, 5.250%, 12/01/24 | 12/13 at 100 |
| 15,445 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.875%, 12/01/17 (Pre-refunded 12/01/12) | 12/12 at 101 |
| 2,500 | Greenville, South Carolina, Hospital Facilities Revenue Refunding Bonds, Series 2003A, 5.000%, 5/01/25 - AMBAC Insured | 5/13 at 100 |
| 7,600 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, Series 1991, 4.000%, 1/01/23 - MBIA Insured | 1/08 at 100 |
| 6,000 | South Carolina JOBS Economic Development Authority, Economic Development Revenue Bonds, Bon Secours Health System Inc., Series 2002A, 5.625%, 11/15/30 | 11/12 at 100 |
| | South Carolina JOBS Economic Development Authority, Hospital Refunding and Improvement Revenue Bonds, Palmetto Health Alliance, Series 2003C: | |
| 1,335 | 6.875%, 8/01/27 (Pre-refunded 8/01/13) | 8/13 at 100 |
| 165 | 6.875%, 8/01/27 (Pre-refunded 8/01/13) | 8/13 at 100 |
| 4,450 | 6.375%, 8/01/34 (Pre-refunded 8/01/13) | 8/13 at 100 |
| 550 | 6.375%, 8/01/34 (Pre-refunded 8/01/13) | 8/13 at 100 |
| 5,000 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at 101 |
| ----- | | |
| 57,045 | Total South Carolina | |
| ----- | | |
| | TENNESSEE - 1.1% (0.7% OF TOTAL INVESTMENTS) | |
| 3,200 | Johnson City Health and Educational Facilities Board, Tennessee, Revenue Bonds, Mountain States Health Alliance, Series 2006A, 5.500%, 7/01/36 | 7/16 at 100 |
| 1,500 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/19 - AMBAC Insured (Alternative Minimum Tax) | 3/10 at 101 |
| | Sumner County Health, Educational, and Housing Facilities Board, Tennessee, Revenue Refunding Bonds, Sumner Regional Health System Inc., Series 2007: | |
| 800 | 5.500%, 11/01/37 | 11/17 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

1,000 5.500%, 11/01/46 11/17 at 100

 6,500 Total Tennessee

45

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
 Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| | TEXAS - 12.7% (7.8% OF TOTAL INVESTMENTS) | |
| \$ 5,810 | Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB) | 2/17 at 100 |
| 5,110 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company, Series 1999C, 7.700%, 3/01/32 (Alternative Minimum Tax) | 4/13 at 101 |
| 10,000 | Brazos River Harbor Navigation District, Brazoria County, Texas, Environmental Facilities Revenue Bonds, Dow Chemical Company Project, Series 2002A-6, 6.250%, 5/15/33 (Mandatory put 5/15/17) (Alternative Minimum Tax) | 5/12 at 101 |
| 3,345 | Fort Worth, Texas, Water and Sewerage Revenue Bonds, Series 2001, 5.625%, 2/15/19 (Pre-refunded 2/15/12) | 2/12 at 100 |
| 5,000 | Gulf Coast Industrial Development Authority, Texas, Waste Disposal Revenue Bonds, Valero Refining and Marketing Company Project, Series 1997, 5.600%, 12/01/31 (Alternative Minimum Tax) | 6/08 at 102 |
| | Harris County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Memorial Hermann Healthcare System, Series 2004A: | |
| 1,000 | 5.000%, 12/01/20 | 12/14 at 100 |
| 1,000 | 5.000%, 12/01/21 | 12/14 at 100 |
| 2,500 | 5.125%, 12/01/22 | 12/14 at 100 |
| 2,800 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Bonds, Series 2001G, 5.250%, 11/15/30 - MBIA Insured | 11/11 at 100 |
| 4,000 | Houston, Texas, First Lien Combined Utility System Revenue Bonds, Series 2004A, 5.250%, 5/15/24 - FGIC Insured | 5/14 at 100 |
| 10,850 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/25 - AMBAC Insured | No Opt. C |
| 725 | Keller Independent School District, Tarrant County, Texas, Unlimited Tax General Obligation Refunding Bonds, Series 2001, 5.250%, 8/15/26 | 8/11 at 100 |
| 5,460 | Keller Independent School District, Tarrant County, Texas, | 8/11 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| | Unlimited Tax General Obligation Refunding Bonds, Series 2001, 5.250%, 8/15/26 (Pre-refunded 8/15/11) | |
| | Kerrville Health Facilities Development Corporation, Texas, Revenue Bonds, Sid Peterson Memorial Hospital Project, Series 2005: | |
| 800 | 5.250%, 8/15/21 | No Opt. C |
| 1,000 | 5.125%, 8/15/26 | No Opt. C |
| 2,000 | Pearland Independent School District, Brazoria County, Texas, Unlimited Tax Schoolhouse Bonds, Series 2001A, 5.250%, 2/15/22 (Pre-refunded 2/15/11) | 2/11 at 100 |
| 1,000 | Sabine River Authority, Texas, Pollution Control Revenue Bonds, TXU Electric Company, Series 2001C, 5.200%, 5/01/28 | 11/15 at 100 |
| 3,935 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 (Pre-refunded 2/01/11) | 2/11 at 100 |
| 4,500 | Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Series 2007A, 5.000%, 2/15/36 | 2/17 at 100 |
| 870 | Texas, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2007, Residuals 1871-1, 6.075%, 4/01/33 (IF) | 4/17 at 100 |
| 3,335 | Texas, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2007, Residuals 1871-2, 6.095%, 4/01/33 (IF) | 4/17 at 100 |
| 3,900 | Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund II, Series 2001C-1, 5.200%, 12/01/21 (Alternative Minimum Tax) | 12/11 at 101 |
| 2,905 | Weatherford Independent School District, Parker County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001, 0.000%, 2/15/25 | 2/11 at 44 |
| 4,040 | Weatherford Independent School District, Parker County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001, 0.000%, 2/15/25 (Pre-refunded 2/15/11) | 2/11 at 44 |
| ----- | | |
| 85,885 | Total Texas | |
| ----- | | |

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | UTAH - 0.1% (0.0% OF TOTAL INVESTMENTS) | |
| \$ 210 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1997C, 5.600%, 7/01/18 (Alternative Minimum Tax) | 1/09 at 101 |
| 125 | Utah Housing Finance Agency, Single Family Mortgage Bonds, | 1/08 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Series 1997E-2, 5.875%, 1/01/19 (Alternative Minimum Tax)

| | | |
|---|--|--------------|
| 335 | Total Utah | |
| <p>WASHINGTON - 9.5% (5.8% OF TOTAL INVESTMENTS)</p> | | |
| 15,000 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 2002A, 5.450%, 7/01/37 - AMBAC Insured (Alternative Minimum Tax) (5) | 7/12 at 100 |
| 7,500 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Columbia Generating Station - Nuclear Project 2, Series 2002C, 5.750%, 7/01/17 - MBIA Insured | 7/12 at 100 |
| 5,000 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Nuclear Project 1, Series 2003A, 5.500%, 7/01/16 | 7/13 at 100 |
| 10,080 | King County School District 401, Highline, Washington, General Obligation Bonds, Series 2002, 5.500%, 12/01/16 - FGIC Insured | 6/12 at 100 |
| 6,965 | Port of Seattle, Washington, Revenue Bonds, Series 1999A, 5.250%, 9/01/22 - FGIC Insured | 9/12 at 100 |
| 2,820 | Skagit County Public Hospital District 1, Washington, General Obligation Bonds, Series 2004A, 5.375%, 12/01/19 - MBIA Insured | 12/14 at 100 |
| 2,500 | Snohomish County, Washington, Limited Tax General Obligation Bonds, Series 2001, 5.125%, 12/01/22 - MBIA Insured | 12/11 at 100 |
| 4,905 | Washington, Various Purpose General Obligation Bonds, Series 1999B, 5.000%, 1/01/19 | 1/09 at 100 |
| 54,770 | Total Washington | |
| <p>WEST VIRGINIA - 1.4% (0.9% OF TOTAL INVESTMENTS)</p> | | |
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Appalachian Power Company, Series 2003L, 5.500%, 10/01/22 | 10/11 at 100 |
| 1,000 | Pleasants County, West Virginia, Pollution Control Revenue Bonds, West Penn Power Company Pleasants Station Project, Series 1999E, 5.500%, 4/01/29 - AMBAC Insured (Alternative Minimum Tax) | 4/09 at 101 |
| 2,355 | West Virginia University, Unlimited Tax General Revenue Bonds, Student Fees, Series 2004C, 5.000%, 10/01/24 - FGIC Insured | 10/14 at 100 |
| 8,355 | Total West Virginia | |
| <p>WISCONSIN - 2.5% (1.5% OF TOTAL INVESTMENTS)</p> | | |
| 5,105 | Wisconsin Health and Educational Facilities Authority, | 2/09 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|-------------|
| | Revenue Bonds, Aurora Health Care Inc., Series 1999A, 5.600%, 2/15/29 | |
| 315 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Divine Savior Healthcare, Series 2006, 5.000%, 5/01/32 | 5/16 at 100 |
| 1,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Fort Healthcare Inc., Series 2004, 5.750%, 5/01/24 | 5/14 at 100 |
| 3,215 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic, Series 1997, 5.625%, 2/15/17 - MBIA Insured | 2/08 at 101 |
| 5,300 | Wisconsin State, General Obligation Bonds, Series 2006A, 4.750%, 5/01/25 - FGIC Insured | 5/16 at 100 |
| ----- | | |
| 14,935 | Total Wisconsin | |
| ----- | | |

47

NPM

Nuveen Premium Income Municipal Fund 2, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| | WYOMING - 0.5% (0.3% OF TOTAL INVESTMENTS) | |
| \$ 2,750 | Sweetwater County, Wyoming, Solid Waste Disposal Revenue Bonds, FMC Corporation, Series 2005, 5.600%, 12/01/35 (Alternative Minimum Tax) | 12/15 at 100 |
| ----- | | |
| \$ 1,094,095 | Total Investments (cost \$954,115,571) - 163.8% | |
| ===== | | |
| | Floating Rate Obligations - (10.1)% | |
| ----- | | |
| | Other Assets Less Liabilities - 3.6% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (57.3)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

FORWARD SWAPS OUTSTANDING AT OCTOBER 31, 2007:

| COUNTERPARTY | NOTIONAL AMOUNT | FUND PAY/RECEIVE FLOATING RATE | FLOATING RATE INDEX | FIXED RATE (ANNUALIZED) | FIXED RATE PAYMENT FREQUENCY | EFFE DA |
|---|--------------------|--------------------------------------|------------------------|----------------------------|------------------------------------|------------|
| Morgan Stanley | \$24,000,000 | Receive | 3-Month USD-LIBOR | 5.609% | Semi-Annually | 4/2 |
| ----- | | | | | | |
| USD-LIBOR (United States Dollar-London Inter-Bank Offered Rate) | | | | | | |

The Fund may invest in "zero coupon" securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the Portfolio of Investments with a 0.000% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
 - (5) Portion of investment, with an aggregate market value of \$1,194,429, has been pledged to collateralize the net payment obligations under forward swap contracts.
 - (6) Effective date represents the date on which both the Fund and counterparty commence interest payment accruals on each forward swap contract.
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Nuveen Premium Income Municipal Fund 4, Inc.
Portfolio of INVESTMENTS

October 31, 2007

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | ALABAMA - 4.3% (2.5% OF TOTAL INVESTMENTS) | |
| \$ 5,150 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2001, 5.750%, 12/01/16 | 12/11 at 101 |
| 2,395 | Alabama Housing Finance Authority, FNMA Multifamily Housing Revenue Bonds, South Bay Apartments, Series 2000K, 5.950%, 2/01/33 (Alternative Minimum Tax) | 2/11 at 102 |
| 11,895 | Alabama Special Care Facilities Financing Authority, Birmingham, Hospital Revenue Bonds, Daughters of Charity National Health System - Providence Hospital and St. Vincent's Hospital, Series 1995, 5.000%, 11/01/25 (ETM) | 11/07 at 100 |
| 4,000 | Alabama Special Care Facilities Financing Authority, Revenue Bonds, Ascension Health, Series 2006C-2, 5.000%, 11/15/39 | 11/16 at 100 |
| 1,000 | Birmingham Special Care Facilities Financing Authority, Alabama, Revenue Bonds, Baptist Health System Inc., Series 2005A, 5.000%, 11/15/30 | 11/15 at 100 |
| ----- | | |
| 24,440 | Total Alabama | |
| ----- | | |
| | ALASKA - 0.9% (0.5% OF TOTAL INVESTMENTS) | |
| 1,665 | Alaska Housing Finance Corporation, General Housing Purpose Bonds, Series 2005A, 5.000%, 12/01/30 - FGIC Insured | 12/14 at 100 |
| 3,065 | Alaska Municipal Bond Bank Authority, General Obligation Bonds, Series 2003E, 5.250%, 12/01/26 (Pre-refunded 12/01/13) - MBIA Insured | 12/13 at 100 |
| ----- | | |
| 4,730 | Total Alaska | |
| ----- | | |
| | ARIZONA - 1.6% (1.0% OF TOTAL INVESTMENTS) | |
| 5,000 | Arizona Tourism and Sports Authority, Tax Revenue Bonds, Multipurpose Stadium Facility Project, Series 2003A, 5.000%, 7/01/31 - MBIA Insured | 7/13 at 100 |
| 4,100 | Salt River Project Agricultural Improvement and Power District, Arizona, Electric System Revenue Bonds, Series 2003, 5.000%, 12/01/18 - MBIA Insured | 12/13 at 100 |
| ----- | | |
| 9,100 | Total Arizona | |
| ----- | | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

ARKANSAS - 0.0% (0.0% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| -- (4) | Jacksonville Residential Housing Facilities Board, Arkansas, FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1993A-2, 7.900%, 1/01/11 | 1/08 at 100 |
| 53 | Lonoke County Residential Housing Facilities Board, Arkansas, FNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Refunding Bonds, Series 1993A, 7.900%, 4/01/11 | 4/08 at 100 |

53 Total Arkansas

CALIFORNIA - 18.4% (10.9% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 3,335 | Anaheim Public Finance Authority, California, Public Improvement Project Lease Revenue Bonds, UBS Residual Series 07 1011-1013, 5.869%, 3/01/37 - FGIC Insured (IF) | 9/17 at 100 |
| 17,000 | California Health Facilities Financing Authority, Health Facility Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at 100 |
| 5,000 | California Health Facilities Financing Authority, Revenue Bonds, Kaiser Permanente System, Series 2006, 5.000%, 4/01/37 | 4/16 at 100 |
| 2,900 | California Health Facilities Financing Authority, Revenue Bonds, Sutter Health, Series 2007A, 5.000%, 11/15/42 | 11/16 at 100 |

49

NPT

Nuveen Premium Income Municipal Fund 4, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|-----------------|--------------------------|
|---------------------------|-----------------|--------------------------|

CALIFORNIA (continued)

| | | |
|-----------|--|-------------|
| \$ 11,000 | California Infrastructure Economic Development Bank, First Lien Revenue Bonds, San Francisco Bay Area Toll Bridge, Series 2003A, 5.000%, 7/01/33 (Pre-refunded 1/01/28) - AMBAC Insured (UB) | 1/28 at 100 |
| 2,000 | California Infrastructure Economic Development Bank, Revenue Bonds, Kaiser Hospital Assistance LLC, Series 2001A, 5.550%, 8/01/31 | 8/11 at 102 |
| 19,545 | California, General Obligation Bonds, Series 2005, 5.000%, 6/01/33 - CIFG Insured (UB) | 6/15 at 100 |
| 12,000 | California, General Obligation Bonds, Series 2003, | 8/13 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|---------|--|-------------|
| | 5.250%, 2/01/22 | |
| 4,780 | Foothill/Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 0.000%, 1/01/14 (ETM) | No Opt. C |
| | Golden State Tobacco Securitization Corporation, California, Enhanced Tobacco Settlement Asset-Backed Bonds, Series 2007A-1: | |
| 1,000 | 5.750%, 6/01/47 | 6/17 at 100 |
| 610 | 5.125%, 6/01/47 | 6/17 at 100 |
| 1,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 (Pre-refunded 6/01/13) | 6/13 at 100 |
| 3,190 | Hillsborough City School District, San Mateo County, California, General Obligation Bonds, Series 2006B, 0.000%, 9/01/27 | No Opt. C |
| 11,310 | San Francisco Bay Area Rapid Transit District, California, Sales Tax Revenue Bonds, Refunding Series 2006A, 4.250%, 7/01/31 - FSA Insured (UB) | 7/16 at 100 |
| | San Joaquin Hills Transportation Corridor Agency, Orange County, California, Toll Road Revenue Refunding Bonds, Series 1997A: | |
| 31,300 | 0.000%, 1/15/34 - MBIA Insured (UB) | No Opt. C |
| 4,430 | 0.000%, 1/15/32 - MBIA Insured (UB) | No Opt. C |
| 1,945 | South Gate Public Financing Authority, California, Water Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/12 - FGIC Insured | No Opt. C |
| ----- | | |
| 132,345 | Total California | |
| ----- | | |

COLORADO - 5.5% (3.3% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 6,500 | Adams 12 Five Star Schools, Adams County, Colorado, General Obligation Bonds, Series 2005, 4.750%, 12/15/23 - FSA Insured | 12/15 at 100 |
| 2,000 | Colorado Health Facilities Authority, Revenue Refunding Bonds, Catholic Health Initiatives, Series 2001, 5.250%, 9/01/21 (Pre-refunded 9/01/11) | 9/11 at 100 |
| 480 | Colorado Housing Finance Authority, Single Family Program Senior Bonds, Series 1999C-3, 6.750%, 10/01/21 | 10/09 at 105 |
| 2,695 | Denver City and County, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Opt. C |
| | Denver Convention Center Hotel Authority, Colorado, Senior Revenue Bonds, Convention Center Hotel, Series 2003A: | |
| 2,940 | 5.000%, 12/01/20 (Pre-refunded 12/01/13) - XLCA Insured | 12/13 at 100 |
| 10,000 | 5.000%, 12/01/33 (Pre-refunded 12/01/13) - XLCA Insured | 12/13 at 100 |
| 4,345 | El Paso County School District 20, Academy, Colorado, General Obligation Bonds, Series 2002, 5.250%, 12/15/17 - FGIC Insured | 12/12 at 100 |
| 755 | Jefferson County School District R1, Colorado, General Obligation | 12/14 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Bonds, Series 2004, 5.000%, 12/15/22 - FSA Insured

| | | |
|--------|----------------|--|
| 29,715 | Total Colorado | |
|--------|----------------|--|

50

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---|--|--------------------------|
| DISTRICT OF COLUMBIA - 2.2% (1.3% OF TOTAL INVESTMENTS) | | |
| \$ 5 | District of Columbia, General Obligation Bonds, Series 1993E, 6.000%, 6/01/09 - CAPMAC Insured | 12/07 at 100 |
| 4,250 | District of Columbia, Hospital Revenue Refunding Bonds, Medlantic Healthcare Group, Series 1993A, 5.750%, 8/15/14 - MBIA Insured (ETM) | 2/08 at 101 |
| 9,670 | District of Columbia, Revenue Bonds, Georgetown University, Series 2001A: 0.000%, 4/01/26 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 42 |
| 15,235 | 0.000%, 4/01/30 (Pre-refunded 4/01/11) - MBIA Insured | 4/11 at 32 |
| 29,160 | Total District of Columbia | |

| | | |
|--|--|--------------|
| FLORIDA - 6.2% (3.7% OF TOTAL INVESTMENTS) | | |
| 5,000 | Broward County School Board, Florida, Certificates of Participation, Series 2003, 5.000%, 7/01/28 - MBIA Insured | 7/13 at 100 |
| 5,000 | Hillsborough County Aviation Authority, Florida, Revenue Bonds, Tampa International Airport, Series 2003A, 5.250%, 10/01/18 - MBIA Insured (Alternative Minimum Tax) | 10/13 at 100 |
| 5,000 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration LP, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/07 at 100 |
| 1,380 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Housing Revenue Bonds, Sunset Bay Apartments, Series 2000-5A, 5.850%, 7/01/20 - FSA Insured (Alternative Minimum Tax) | 1/11 at 102 |
| 3,385 | Miami-Dade County, Florida, Aviation Revenue Bonds, Miami International Airport, Series 2005A, 5.000%, 10/01/37 - XLCA Insured (Alternative Minimum Tax) | 10/15 at 100 |
| 5,455 | South Miami Health Facilities Authority, Florida, Hospital Revenue, Baptist Health System Obligation Group, Series 2007, 5.000%, 8/15/42 | 8/17 at 100 |
| 9,500 | Sunrise, Florida, Utility System Revenue Refunding Bonds, | 10/18 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Series 1998, 5.000%, 10/01/28 - AMBAC Insured

 34,720 Total Florida

GEORGIA - 2.5% (1.5% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-----------|
| 4,400 | Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Opt. C |
| 2,880 | Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 1992B, 8.250%, 1/01/11 | No Opt. C |
| 5,500 | Georgia Municipal Electric Authority, General Power Revenue Bonds, Series 1993B, 5.700%, 1/01/19 - FGIC Insured (ETM) | No Opt. C |

 12,780 Total Georgia

HAWAII - 1.0% (0.6% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-----------|
| 3,720 | Honolulu City and County, Hawaii, General Obligation Refunding and Improvement Bonds, Series 1993B, 5.000%, 10/01/13 | No Opt. C |
| 1,580 | Honolulu City and County, Hawaii, General Obligation Refunding and Improvement Bonds, Series 1993B, 5.000%, 10/01/13 (ETM) | No Opt. C |

 5,300 Total Hawaii

ILLINOIS - 18.1% (10.7% OF TOTAL INVESTMENTS)

| | | |
|--------|---|--------------|
| 4,000 | Chicago Board of Education, Illinois, General Obligation Lease Certificates, Series 1992A, 6.250%, 1/01/15 - MBIA Insured | No Opt. C |
| 17,000 | Chicago Greater Metropolitan Area Sanitary District, Illinois, General Obligation Bonds, Series 2006, 5.000%, 12/01/35 (UB) | 12/16 at 100 |
| 5,550 | Chicago, Illinois, Revenue Bonds, Midway Airport, Series 2001A, 5.125%, 1/01/26 - FSA Insured (Alternative Minimum Tax) | 1/11 at 101 |
| 5,000 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at 102 |

NPT
 Nuveen Premium Income Municipal Fund 4, Inc. (continued)
 Portfolio of INVESTMENTS October 31, (2007)

| | | |
|--------------|-----------------|------------|
| PRINCIPAL | DESCRIPTION (1) | OPTIONAL C |
| AMOUNT (000) | | PROVISIONS |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

ILLINOIS (continued)

| | | | |
|----|---------|--|--------------|
| \$ | 1,665 | Chicago, Illinois, Third Lien General Airport Revenue Bonds, O'Hare International Airport, Series 2005A, 5.000%, 1/01/33 - FGIC Insured | 1/16 at 100 |
| | | Cook County School District 99, Cicero, Illinois, General Obligation School Bonds, Series 1997: | |
| | 1,455 | 8.500%, 12/01/13 - FGIC Insured | No Opt. C |
| | 1,685 | 8.500%, 12/01/15 - FGIC Insured | No Opt. C |
| | 6,050 | Illinois Development Finance Authority, GNMA Collateralized Mortgage Revenue Bonds, Greek American Nursing Home Committee, Series 2000A, 7.600%, 4/20/40 | 4/11 at 105 |
| | 1,385 | Illinois Finance Authority, General Obligation Debt Certificates, Local Government Program - Kankakee County, Series 2005B, 5.000%, 12/01/18 - AMBAC Insured | 12/14 at 100 |
| | 2,515 | Illinois Finance Authority, Revenue Bonds, Northwestern Memorial Hospital, Series 2004A, 5.250%, 8/15/34 | 8/14 at 100 |
| | 5,565 | Illinois Finance Authority, Revenue Bonds, Sherman Health Systems, Series 2007A, 5.500%, 8/01/37 | 8/17 at 100 |
| | 4,000 | Illinois Health Facilities Authority, FHA-Insured Mortgage Revenue Refunding Bonds, Sinai Health System, Series 2003, 5.150%, 2/15/37 | 8/13 at 100 |
| | 4,000 | Illinois Health Facilities Authority, Revenue Bonds, Condell Medical Center, Series 2002, 5.500%, 5/15/32 | 5/12 at 100 |
| | | Illinois Health Facilities Authority, Revenue Refunding Bonds, Lutheran General Health System, Series 1993C: | |
| | 1,570 | 7.000%, 4/01/08 | No Opt. C |
| | 4,075 | 7.000%, 4/01/14 | No Opt. C |
| | 9,795 | Lake, Cook, Kane and McHenry Counties Community Unit School District 220, Barrington, Illinois, School Refunding Bonds, Series 2002, 5.250%, 12/01/19 - FSA Insured | No Opt. C |
| | | Metropolitan Pier and Exposition Authority, Illinois, Revenue Bonds, McCormick Place Expansion Project, Series 2002A: | |
| | 9,500 | 0.000%, 6/15/24 - MBIA Insured | 6/22 at 101 |
| | 4,540 | 5.000%, 12/15/28 - MBIA Insured | 6/12 at 101 |
| | 36,040 | 0.000%, 6/15/40 - MBIA Insured | No Opt. C |
| | 3,050 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Opt. C |
| | 128,440 | Total Illinois | |

INDIANA - 8.5% (5.0% OF TOTAL INVESTMENTS)

Carmel Redevelopment Authority, Indiana, Lease Rent Revenue Bonds, Series 2005:

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|--------------|
| 1,950 | 0.000%, 2/01/24 | No Opt. C |
| 2,705 | 0.000%, 2/01/25 | No Opt. C |
| 3,965 | Indiana Educational Facilities Authority, Revenue Bonds, Butler University, Series 2001, 5.500%, 2/01/26 - MBIA Insured | 2/11 at 100 |
| 1,500 | Indiana Educational Facilities Authority, Revenue Bonds, University of Indianapolis, Series 1999, 5.750%, 10/01/19 - FSA Insured | 10/09 at 101 |
| 22,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 (Pre-refunded 8/15/10) - MBIA Insured | 8/10 at 101 |
| 3,000 | Indiana Health Facility Financing Authority, Hospital Revenue Refunding Bonds, Columbus Regional Hospital, Series 1993, 7.000%, 8/15/15 - FSA Insured | No Opt. C |
| 2,800 | Indiana Health Facility Financing Authority, Revenue Bonds, Community Hospitals of Indiana, Series 2005A, 5.000%, 5/01/35 - AMBAC Insured | 5/15 at 100 |
| 4,000 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/23 - FSA Insured | 6/13 at 100 |

52

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|--|-----------------------|
| | INDIANA (continued) | |
| \$ 6,000 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.000%, 6/01/24 (Pre-refunded 6/01/13) - FSA Insured | 6/13 at 100 |
| 420 | Marion County Convention and Recreational Facilities Authority, Indiana, Excise Tax Lease Rental Revenue Bonds, Series 1997A, 5.000%, 6/01/27 - MBIA Insured | 6/09 at 100 |
| 48,340 | Total Indiana | |
| | IOWA - 0.2% (0.1% OF TOTAL INVESTMENTS) | |
| 1,000 | Iowa Finance Authority, Health Facility Revenue Bonds, Care Initiatives Project, Series 2006A, 5.000%, 7/01/20 | 7/16 at 100 |
| | KANSAS - 1.8% (1.1% OF TOTAL INVESTMENTS) | |
| 2,000 | Olathe, Kansas, Health Facilities Revenue Bonds, Olathe Medical Center, Series 2000A, 5.500%, 9/01/25 - AMBAC Insured | 9/10 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|-------------|
| 6,825 | Sedgwick County Unified School District 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/16 | 9/10 at 100 |
| 1,750 | Wamego, Kansas, Pollution Control Revenue Bonds, Kansas Gas and Electric Company, Series 2004, 5.300%, 6/01/31 - MBIA Insured | 6/14 at 100 |
| ----- | | |
| 10,575 | Total Kansas | |
| ----- | | |

LOUISIANA - 6.7% (3.9% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 3,070 | Jefferson Sales Tax District, Jefferson Parish, Louisiana, Special Sales Tax Revenue Refunding Bonds, Series 2002, 5.250%, 12/01/20 (Pre-refunded 12/01/12) - AMBAC Insured | 12/12 at 100 |
| 1,750 | Louisiana Local Government Environmental Facilities and Community Development Authority, GNMA Collateralized Mortgage Revenue Refunding Bonds, Sharlo Apartments, Series 2002A, 6.500%, 6/20/37 | 6/12 at 105 |
| 5,150 | Louisiana Public Facilities Authority, Hospital Revenue Bonds, Franciscan Missionaries of Our Lady Health System, Series 2005A, 5.250%, 8/15/32 | 8/15 at 100 |
| 3,280 | Louisiana Public Facilities Authority, Revenue Bonds, Archdiocese of New Orleans, Series 2007, Drivers 1754, 6.246%, 7/01/37 - CIFG Insured (IF) | 7/17 at 100 |
| 1,480 | Louisiana State, Gasoline and Fuels Tax Revenue Bonds, Series 2006: 4.750%, 5/01/39 - FSA Insured (UB) | 5/16 at 100 |
| 15,820 | 4.500%, 5/01/41 - FGIC Insured (UB) | 5/16 at 100 |
| 170 | Louisiana State, Gasoline Tax Revenue Bonds, Series 2006, Residuals 660-1, 5.940%, 5/01/41 - FGIC Insured (IF) | 5/16 at 100 |
| 3,800 | Louisiana Public Facilities Authority, Revenue Bonds, Ochsner Clinic Foundation Project, Series 2007A, 5.500%, 5/15/47 | 5/17 at 100 |
| 3,795 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/14 - FSA Insured | 12/07 at 101 |
| ----- | | |
| 38,315 | Total Louisiana | |
| ----- | | |

MARYLAND - 2.2% (1.3% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-------------|
| 2,715 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1996A, 5.875%, 7/01/16 | 1/08 at 101 |
| 2,900 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1997A, 6.000%, 7/01/39 (Alternative Minimum Tax) | 1/08 at 102 |
| 50 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, MedStar Health, Series 2004, 5.375%, 8/15/24 | 8/14 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

53

NPT

Nuveen Premium Income Municipal Fund 4, Inc. (continued)
 Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|--|---|--------------------------|
| MARYLAND (continued) | | |
| \$ 2,210 | Maryland Health and Higher Educational Facilities Authority, Revenue Bonds, Western Maryland Health, Series 2006A, 4.750%, 7/01/36 - MBIA Insured (UB) | 7/16 at 100 |
| 1,935 | Montgomery County Housing Opportunities Commission, Maryland, GNMA/FHA-Insured Multifamily Housing Revenue Bonds, Series 1996B, 6.400%, 7/01/28 (Alternative Minimum Tax) | 1/08 at 101 |
| 2,315 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.125%, 7/01/20 (Alternative Minimum Tax) | 7/10 at 100 |
| 12,125 | Total Maryland | |
| MASSACHUSETTS - 1.1% (0.7% OF TOTAL INVESTMENTS) | | |
| 3,585 | Massachusetts Development Finance Agency, Revenue Bonds, Curry College, Series 2005A, 5.000%, 3/01/35 - ACA Insured | 3/15 at 100 |
| 1,000 | Massachusetts Development Finance Agency, Revenue Bonds, Orchard Cove, Series 2007, 5.250%, 10/01/26 | 10/12 at 102 |
| 1,000 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Milton Hospital Project, Series 2005D, 5.375%, 7/01/35 | 7/15 at 100 |
| 1,155 | Massachusetts Water Resources Authority, General Revenue Bonds, Series 2007, Residual Trust 7039, 6.272%, 8/01/46 - FSA Insured (IF) | 2/17 at 100 |
| 6,740 | Total Massachusetts | |
| MICHIGAN - 7.6% (4.5% OF TOTAL INVESTMENTS) | | |
| 6,000 | Detroit, Michigan, Second Lien Sewerage Disposal System Revenue Bonds, Series 2005A, 5.000%, 7/01/35 - MBIA Insured | 7/15 at 100 |
| 8,915 | Detroit, Michigan, Senior Lien Water Supply System Revenue Bonds, Series 1997A, 5.000%, 7/01/27 - MBIA Insured | 7/08 at 100 |
| 5,400 | Detroit, Michigan, Sewer Disposal System Revenue Bonds, Second Lien, Series 2006B, 4.625%, 7/01/34 - FGIC Insured | 7/16 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|--------------|
| 4,355 | Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System Inc., Series 1998, 5.450%, 8/01/47 (Pre-refunded 8/01/08) - MBIA Insured | 8/08 at 100 |
| 5,000 | Michigan State Building Authority, Revenue Refunding Bonds, Facilities Program, Series 2003II, 5.000%, 10/15/29 - MBIA Insured | 10/13 at 100 |
| 10,500 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23 | 8/08 at 101 |
| 1,000 | Michigan State Hospital Finance Authority, Revenue Bonds, Chelsea Community Hospital, Series 2005, 5.000%, 5/15/30 | 5/15 at 100 |
| 2,500 | Michigan State Hospital Finance Authority, Revenue Bonds, Trinity Health Care Group, Series 2006A, 5.000%, 12/01/31 | 12/16 at 100 |
| <hr/> | | |
| 43,670 | Total Michigan | |
| <hr/> | | |

MINNESOTA - 1.2% (0.7% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 700 | Minneapolis-St. Paul Housing Finance Board, Minnesota, FNMA/GNMA Mortgage-Backed Securities Program Single Family Mortgage Revenue Bonds, Series 1997, 5.800%, 11/01/30 (Alternative Minimum Tax) | 11/07 at 102 |
| 3,500 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/25 (Pre-refunded 1/01/11) - FGIC Insured | 1/11 at 100 |
| 2,875 | Saint Paul Port Authority, Minnesota, Lease Revenue Bonds, Regions Hospital Parking Ramp Project, Series 2007-1, 5.000%, 8/01/36 | 8/16 at 100 |
| <hr/> | | |
| 7,075 | Total Minnesota | |
| <hr/> | | |

54

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|--|--|-----------------------|
| <hr/> | | |
| MISSISSIPPI - 1.6% (0.9% OF TOTAL INVESTMENTS) | | |
| \$ 2,975 | Mississippi Hospital Equipment and Facilities Authority, Revenue Bonds, Baptist Memorial Healthcare, Series 2004B-1, 5.000%, 9/01/24 | 9/14 at 100 |
| 5,180 | Mississippi, General Obligation Refunding Bonds, Series 2002A, 5.500%, 12/01/18 | No Opt. C |
| <hr/> | | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

8,155 Total Mississippi

MISSOURI - 0.8% (0.4% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 1,450 | Cape Girardeau County Industrial Development Authority, Missouri, Health Facilities Revenue Bonds, Southeast Missouri Hospital Association, Series 2007, 5.000%, 6/01/36 | 6/17 at 100 |
| 3,000 | Missouri Health and Educational Facilities Authority, Revenue Bonds, BJC Health System, Series 2003, 5.125%, 5/15/24 | 5/13 at 100 |

4,450 Total Missouri

NEBRASKA - 1.7% (1.0% OF TOTAL INVESTMENTS)

| | | |
|-------|---|-----------|
| 9,000 | NebHelp Inc., Nebraska, Senior Subordinate Bonds, Student Loan Program, Series 1993A-5A, 6.250%, 6/01/18 - MBIA Insured (Alternative Minimum Tax) | No Opt. C |
|-------|---|-----------|

NEVADA - 4.5% (2.7% OF TOTAL INVESTMENTS)

| | | |
|--------|---|-------------|
| 10,420 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 (Pre-refunded 6/15/12) - MBIA Insured | 6/12 at 100 |
| 4,500 | Clark County School District, Nevada, General Obligation School Improvement Bonds, Series 1991A, 7.000%, 6/01/10 - MBIA Insured | No Opt. C |
| 7,000 | Clark County, Nevada, Motor Vehicle Fuel Tax Highway Improvement Revenue Bonds, Series 2003, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at 100 |
| 5,425 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, First Tier, Series 2000, 0.000%, 1/01/25 - AMBAC Insured | No Opt. C |

27,345 Total Nevada

NEW JERSEY - 4.8% (2.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| 500 | Burlington County Bridge Commission, New Jersey, Economic Development Revenue Bonds, The Evergreens Project, Series 2007, 5.625%, 1/01/38 | 1/18 at 100 |
| 1,100 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Trinitas Hospital Obligated Group, Series 2000, 7.500%, 7/01/30 (Pre-refunded 7/01/10) | 7/10 at 101 |
| 880 | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C, 6.500%, 1/01/16 - MBIA Insured | No Opt. C |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|--------|--|--|-------------|
| | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | |
| 300 | 6.500%, 1/01/16 - MBIA Insured (ETM) | | No Opt. C |
| 2,345 | 6.500%, 1/01/16 - MBIA Insured (ETM) | | No Opt. C |
| 11,960 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 (Pre-refunded 6/01/12) | | 6/12 at 100 |
| 3,995 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 (Pre-refunded 6/01/13) | | 6/13 at 100 |
| 5,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A, 4.750%, 6/01/34 | | 6/17 at 100 |
| ----- | | | |
| 26,080 | Total New Jersey | | |
| ----- | | | |

NEW YORK - 8.1% (4.8% OF TOTAL INVESTMENTS)

| | | | |
|-------|---|--|-------------|
| 855 | Albany Industrial Development Agency, New York, Revenue Bonds, Brighter Choice Charter Schools, Series 2007A, 5.000%, 4/01/32 | | 4/17 at 100 |
| 1,200 | Hempstead Industrial Development Agency, New York, Resource Recovery Revenue Refunding Bonds, American Ref-Fuel Company of Hempstead LP, Series 2001, 5.000%, 12/01/10 (Mandatory put 6/01/10) | | No Opt. C |

55

NPT

Nuveen Premium Income Municipal Fund 4, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|--|--------------------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 4,070 | Hudson Yards Infrastructure Corporation, New York, Revenue Bonds, Series 2006A, 4.500%, 2/15/47 - MBIA Insured (UB) | 2/17 at 100 |
| 3,300 | Long Island Power Authority, New York, Electric System Revenue Bonds, Series 2006F, 4.250%, 5/01/33 - MBIA Insured (UB) | 11/16 at 100 |
| 6,740 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 1998C, 5.000%, 5/01/26 | 5/08 at 101 |
| 35 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 1998C, 5.000%, 5/01/26 (Pre-refunded 5/01/08) | 5/08 at 101 |
| 3,630 | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 2000C: 5.875%, 11/01/16 (Pre-refunded 5/01/10) | 5/10 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|--|-------------|
| 220 | 5.875%, 11/01/16 (Pre-refunded 5/01/10) | 5/10 at 101 |
| 5,000 | 5.500%, 11/01/24 (Pre-refunded 5/01/10) | 5/10 at 101 |
| | New York State Tobacco Settlement Financing Corporation, Tobacco Settlement Asset-Backed and State Contingency Contract-Backed Bonds, Series 2003A-1: | |
| 10,800 | 5.500%, 6/01/16 | 6/10 at 100 |
| 2,500 | 5.500%, 6/01/18 | 6/12 at 100 |
| 6,250 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 6.250%, 12/01/15 - MBIA Insured (Alternative Minimum Tax) | No Opt. C |

| | | |
|--------|----------------|--|
| 44,600 | Total New York | |
|--------|----------------|--|

NORTH CAROLINA - 2.8% (1.7% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-------------|
| 750 | Charlotte-Mecklenburg Hospital Authority, North Carolina, Health Care System Revenue Bonds, Carolinas Health Care, 5.000%, 1/15/31 | 1/17 at 100 |
| 2,445 | North Carolina Infrastructure Finance Corporation, Certificates of Participation, Correctional Facilities, Series 2004A, 5.000%, 2/01/21 | 2/14 at 100 |
| 2,000 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 1992, 6.000%, 1/01/11 - MBIA Insured | No Opt. C |
| 10,000 | North Carolina Municipal Power Agency 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/18 - MBIA Insured | 1/13 at 100 |

| | | |
|--------|----------------------|--|
| 15,195 | Total North Carolina | |
|--------|----------------------|--|

OHIO - 3.2% (1.9% OF TOTAL INVESTMENTS)

| | | |
|-------|---|--------------|
| 6,065 | Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Revenue Bonds, Senior Lien, Series 2007A-2, 5.125%, 6/01/24 | 6/17 at 100 |
| 8,065 | Cleveland, Ohio, Airport System Revenue Bonds, Series 2001A, 5.000%, 1/01/31 - FSA Insured | 1/10 at 101 |
| 3,000 | Franklin County, Ohio, Development Revenue Bonds, American Chemical Society, Series 1999, 5.800%, 10/01/14 | 10/09 at 101 |
| 1,000 | Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | 1/08 at 100 |

| | | |
|--------|------------|--|
| 18,130 | Total Ohio | |
|--------|------------|--|

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

OKLAHOMA - 3.1% (1.8% OF TOTAL INVESTMENTS)

| | | |
|-------|--|-------------|
| | Oklahoma Development Finance Authority, Revenue Bonds, Saint John Health System, Series 2007: | |
| 6,800 | 5.000%, 2/15/37 | 2/17 at 100 |
| 2,655 | 5.000%, 2/15/42 | 2/17 at 100 |
| 300 | Oklahoma Housing Finance Agency, Single Family Mortgage Revenue Bonds, Homeownership Loan Program, Series 2000C-2, 6.200%, 9/01/28 (Alternative Minimum Tax) | 3/10 at 101 |

56

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| | OKLAHOMA (continued) | |
| \$ 4,185 | Tulsa County Industrial Authority, Oklahoma, Health Care Revenue Bonds, Saint Francis Health System, Series 2006, 5.000%, 12/15/36 | 12/16 at 100 |
| 3,340 | Tulsa Industrial Authority, Oklahoma, Hospital Revenue Refunding Bonds, Hillcrest Medical Center, Series 1996, 6.500%, 6/01/09 - CONNIE LEE Insured (ETM) | No Opt. C |
| 17,280 | Total Oklahoma | |

PENNSYLVANIA - 2.1% (1.2% OF TOTAL INVESTMENTS)

| | | |
|--------|--|--------------|
| 500 | Bucks County Industrial Development Authority, Pennsylvania, Charter School Revenue Bonds, School Lane Charter School, Series 2007A, 5.000%, 3/15/37 | 3/17 at 100 |
| 3,500 | Pennsylvania Economic Development Financing Authority, Senior Lien Resource Recovery Revenue Bonds, Northampton Generating Project, Series 1994A, 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/08 at 100 |
| 5,490 | Pennsylvania Public School Building Authority, Lease Revenue Bonds, School District of Philadelphia, Series 2006B, 4.500%, 6/01/32 - FSA Insured (UB) | 12/16 at 100 |
| 2,600 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2004A, 5.500%, 12/01/31 - AMBAC Insured | 12/14 at 100 |
| 12,090 | Total Pennsylvania | |

PUERTO RICO - 2.5% (1.4% OF TOTAL INVESTMENTS)

| | | |
|--------|--|-----------|
| 12,390 | Puerto Rico, General Obligation and Public Improvement Refunding Bonds, Series 1997, 6.500%, 7/01/13 - MBIA Insured | No Opt. C |
|--------|--|-----------|

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

RHODE ISLAND - 3.5% (2.1% OF TOTAL INVESTMENTS)

20,000 Rhode Island Tobacco Settlement Financing Corporation, 6/12 at 100
Tobacco Settlement Asset-Backed Bonds, Series 2002A,
6.250%, 6/01/42

SOUTH CAROLINA - 4.3% (2.5% OF TOTAL INVESTMENTS)

4,120 Medical University Hospital Authority, South Carolina, 8/14 at 100
FHA-Insured Mortgage Revenue Bonds, Series 2004A,
5.250%, 2/15/23 - MBIA Insured

3,000 Myrtle Beach, South Carolina, Hospitality and Accommodation 6/14 at 100
Fee Revenue Bonds, Series 2004A, 5.000%, 6/01/36 -
FGIC Insured

Piedmont Municipal Power Agency, South Carolina, Electric
Revenue Bonds, Series 1991:
5,000 6.250%, 1/01/21 - FGIC Insured No Opt. C
5,750 4.000%, 1/01/23 - MBIA Insured 1/08 at 100

5,085 Piedmont Municipal Power Agency, South Carolina, Electric No Opt. C
Revenue Refunding Bonds, Series 1998A, 5.500%, 1/01/13 -
MBIA Insured

22,955 Total South Carolina

SOUTH DAKOTA - 0.3% (0.2% OF TOTAL INVESTMENTS)

1,750 South Dakota Health and Educational Facilities Authority, 11/14 at 100
Revenue Bonds, Sioux Valley Hospitals, Series 2004A,
5.500%, 11/01/31

TENNESSEE - 1.0% (0.6% OF TOTAL INVESTMENTS)

5,075 Knox County Health, Educational and Housing Facilities Board, 1/17 at 30
Tennessee, Hospital Revenue Refunding Bonds, Covenant Health,
Series 2006, 0.000%, 1/01/41

1,500 Metropolitan Government of Nashville-Davidson County, 5/08 at 102
Tennessee, Electric System Revenue Bonds, Series 1998A,
5.200%, 5/15/23

680 Sullivan County Health Educational and Housing Facilities Board, 9/16 at 100
Tennessee, Revenue Bonds, Wellmont Health System,
Series 2006C, 5.250%, 9/01/36

Sumner County Health, Educational, and Housing Facilities
Board, Tennessee, Revenue Refunding Bonds, Sumner Regional
Health System Inc., Series 2007:
860 5.500%, 11/01/37 11/17 at 100
1,500 5.500%, 11/01/46 11/17 at 100

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

9,615 Total Tennessee

57

NPT

Nuveen Premium Income Municipal Fund 4, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|--|---|--------------------------|
| TEXAS - 19.1% (11.3% OF TOTAL INVESTMENTS) | | |
| \$ 3,000 | Alliance Airport Authority, Texas, Special Facilities Revenue Bonds, American Airlines Inc., Series 2007, 5.250%, 12/01/29 (Alternative Minimum Tax) | 12/12 at 100 |
| 5,440 | Board of Regents, University of Texas System, Financing System Revenue Bonds, Series 2006F, 4.250%, 8/15/36 (UB) | 2/17 at 100 |
| 4,000 | Central Texas Regional Mobility Authority, Travis and Williamson Counties, Toll Road Revenue Bonds, Series 2005, 5.000%, 1/01/35 - FGIC Insured | 1/15 at 100 |
| 3,345 | Columbia-Brazoria Independent School District, Texas, Unlimited Tax School Building Bonds, Series 1999, 4.750%, 2/01/25 | 2/09 at 100 |
| 2,250 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Bonds, Series 2004B, 5.000%, 11/01/27 - FSA Insured (Alternative Minimum Tax) | 11/14 at 100 |
| 8,000 | Dallas-Ft. Worth International Airport, Texas, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.875%, 11/01/19 - FGIC Insured (Alternative Minimum Tax) | 11/11 at 100 |
| 6,000 | Garland Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, Legacy Pointe Apartments, Series 2000, 7.500%, 6/01/40 (Alternative Minimum Tax) | 12/11 at 101 |
| 7,000 | Harris County Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured | 11/13 at 100 |
| 28,305 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/28 - AMBAC Insured | No Opt. C |
| 7,500 | Houston, Texas, Junior Lien Water and Sewerage System Revenue Refunding Bonds, Series 2002A, 5.750%, 12/01/32 - FSA Insured (ETM) | No Opt. C |
| 33,505 | Leander Independent School District, Williamson and Travis Counties, Texas, General Obligation Bonds, Series 2006, 0.000%, 8/15/39 | 8/14 at 25 |
| 106 | Midland Housing Finance Corporation, Texas, Single Family | 11/07 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|-------|--|--------------|
| | Mortgage Revenue Refunding Bonds, Series 1992A, 8.450%, 12/01/11 | |
| | Montgomery Independent School District, Montgomery County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001: | |
| 730 | 5.500%, 2/15/21 | 2/11 at 100 |
| 760 | 5.500%, 2/15/23 | 2/11 at 100 |
| | Montgomery Independent School District, Montgomery County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001: | |
| 1,570 | 5.500%, 2/15/21 (Pre-refunded 2/15/11) | 2/11 at 100 |
| 1,640 | 5.500%, 2/15/23 (Pre-refunded 2/15/11) | 2/11 at 100 |
| | Mt. Pleasant Independent School District, Titus County, Texas, General Obligation Refunding Bonds, Series 2001: | |
| 3,025 | 5.000%, 2/15/26 | 8/11 at 100 |
| 2,300 | 5.125%, 2/15/31 | 8/11 at 100 |
| 700 | Mt. Pleasant Independent School District, Titus County, Texas, General Obligation Refunding Bonds, Series 2001, 5.125%, 2/15/31 (Pre-refunded 8/15/11) | 8/11 at 100 |
| 6,000 | Raven Hills Higher Education Corporation, Texas, Student Housing Revenue Bonds, Angelo State University - Texan Hall LLC, Series 2002A, 5.000%, 8/01/25 (Pre-refunded 8/01/12) - MBIA Insured | 8/12 at 100 |
| 3,410 | Retama Development Corporation, Texas, Special Facilities Revenue Bonds, Retama Park Racetrack, Series 1993, 8.750%, 12/15/18 (Pre-refunded 12/15/12) (6) | 12/12 at 100 |
| 1,800 | Sam Rayburn Municipal Power Agency, Texas, Power Supply System Revenue Refunding Bonds, Series 2002A, 5.750%, 10/01/21 - RAAI Insured | 10/12 at 100 |
| 4,700 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 (Pre-refunded 2/01/11) | 2/11 at 100 |
| 3,200 | Tarrant County Cultural & Educational Facilities Financing Corporation, Texas, Revenue Bonds, Series 2007A, 5.000%, 2/15/36 | 2/17 at 100 |

58

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|---------------------------|---|--------------------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 800 | Texas, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2007, Residuals 1872-1, 6.094%, 4/01/33 (IF) | 4/17 at 100 |
| 3,000 | Texas, General Obligation Bonds, Transportation Commission Mobility Fund, Series 2007, Residuals 1872-2, 6.094%, 4/01/33 (IF) | 4/17 at 100 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|---|---|--------------|
| 8,500 | Travis County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Daughters of Charity National Health System, Series 1993B, 6.000%, 11/15/22 (ETM) | 11/07 at 100 |
| ----- | | |
| 150,586 | Total Texas | |
| ----- | | |
| UTAH - 2.2% (1.3% OF TOTAL INVESTMENTS) | | |
| 4,845 | Bountiful, Davis County, Utah, Hospital Revenue Refunding Bonds, South Davis Community Hospital Project, Series 1998, 5.750%, 12/15/18 | 12/08 at 101 |
| 4,995 | Intermountain Power Agency, Utah, Power Supply Revenue Bonds, Series 1996A, 6.150%, 7/01/14 (ETM) | 12/07 at 101 |
| 520 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2000G, 5.875%, 7/01/27 (Alternative Minimum Tax) | 7/10 at 100 |
| | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 2001C: | |
| 1,510 | 5.500%, 1/01/18 (Alternative Minimum Tax) | 1/11 at 100 |
| 500 | 5.650%, 1/01/21 (Alternative Minimum Tax) | 1/11 at 100 |
| ----- | | |
| 12,370 | Total Utah | |
| ----- | | |
| VIRGINIA - 1.5% (0.9% OF TOTAL INVESTMENTS) | | |
| 8,190 | Hampton, Virginia, Revenue Bonds, Convention Center Project, Series 2002, 5.000%, 1/15/35 - AMBAC Insured | 1/13 at 100 |
| ----- | | |
| WASHINGTON - 9.8% (5.8% OF TOTAL INVESTMENTS) | | |
| 1,855 | Chelan County Public Utility District 1, Washington, Hydro Consolidated System Revenue Bonds, Series 1999A, 6.200%, 7/01/34 (Alternative Minimum Tax) | 7/09 at 101 |
| 2,500 | Energy Northwest, Washington, Electric Revenue Refunding Bonds, Columbia Generating Station - Nuclear Project 2, Series 2002C, 5.750%, 7/01/17 - MBIA Insured | 7/12 at 100 |
| 220 | Grant County Public Utility District 2, Washington, Revenue Bonds, Wanapum Hydroelectric Development, Series 2005A, 5.000%, 1/01/34 (Pre-refunded 1/01/15) - FGIC Insured | 1/15 at 100 |
| 5,780 | Grant County Public Utility District 2, Washington, Revenue Bonds, Wanapum Hydroelectric Development, Series 2005A, 5.000%, 1/01/34 - FGIC Insured | 1/15 at 100 |
| 1,500 | Snohomish County School District 6, Mukilteo, Washington, Unlimited Tax General Obligation and Refunding Bonds, Series 1993, 5.700%, 12/01/12 - FGIC Insured | No Opt. C |
| 8,155 | Tacoma, Washington, Electric System Revenue Refunding Bonds, Series 2001A, 5.750%, 1/01/20 (Pre-refunded 1/01/11) - | 1/11 at 101 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|--------|---|-------------|
| | FSA Insured | |
| 4,705 | Tacoma, Washington, Sewerage Revenue Refunding Bonds, Series 1994B, 8.000%, 12/01/08 - FGIC Insured | No Opt. C |
| 11,000 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1993B, 7.000%, 7/01/09 | No Opt. C |
| 4,700 | Washington Public Power Supply System, Revenue Refunding Bonds, Nuclear Project 3, Series 1998A, 5.125%, 7/01/18 | 7/08 at 102 |
| 1,000 | Washington State Healthcare Facilities Authority, Revenue Bonds, Harrison Memorial Hospital, Series 1998, 5.000%, 8/15/28 - AMBAC Insured | 8/13 at 102 |
| 2,000 | Washington State Healthcare Facilities Authority, Revenue Bonds, Highline Community Hospital, Series 1998, 5.000%, 8/15/21 - RAAI Insured | 8/08 at 102 |

59

NPT

Nuveen Premium Income Municipal Fund 4, Inc. (continued)
Portfolio of INVESTMENTS October 31, (2007)

| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTIONAL C PROVISIONS |
|------------------------|---|-----------------------|
| ----- | | |
| | WASHINGTON (continued) | |
| \$ 5,500 | Washington State Healthcare Facilities Authority, Revenue Bonds, Swedish Health Services, Series 1998, 5.500%, 11/15/14 - AMBAC Insured | 11/08 at 101 |
| 4,515 | Washington State Tobacco Settlement Authority, Tobacco Settlement Asset-Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at 100 |
| ----- | | |
| 53,430 | Total Washington | |
| ----- | | |
| | WISCONSIN - 2.3% (1.4% OF TOTAL INVESTMENTS) | |
| 500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Medical College of Wisconsin Inc., Series 1996, 5.500%, 12/01/26 - MBIA Insured | 12/08 at 100 |
| 7,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Ministry Healthcare Inc., Series 2002A, 5.250%, 2/15/32 - MBIA Insured | 2/12 at 101 |
| 5,000 | Wisconsin State, General Obligation Bonds, Series 2006A, 4.750%, 5/01/25 - FGIC Insured | 5/16 at 100 |
| ----- | | |
| 13,000 | Total Wisconsin | |
| ----- | | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

\$ 1,065,234 Total Investments (cost \$931,989,546) - 169.2%

 Floating Rate Obligations - (12.4)%

Other Assets Less Liabilities - 2.4%

Preferred Shares, at Liquidation Value - (59.2)%

Net Assets Applicable to Common Shares - 100%
 =====

The Fund may invest in "zero coupon" securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Tax-exempt income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. Such securities are included in the Portfolio of Investments with a 0.000% coupon rate in their description. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the higher of Standard & Poor's Group ("Standard & Poor's") or Moody's Investor Service, Inc. ("Moody's") rating. Ratings below BBB by Standard & Poor's or Baa by Moody's are considered to be below investment grade.
- (4) Principal Amount rounds to less than \$1,000.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensure the timely payment of principal and interest. Such investments are normally considered to be equivalent to AAA rated securities.
- (6) The issuer has received a formal adverse determination from the Internal Revenue Service (the "IRS") regarding the tax-exempt status of the bonds' coupon payments. The Fund will continue to treat coupon payments as tax-exempt income until such time that it is formally determined that the interest on the bonds should be treated as taxable.

N/R Not rated.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction pursuant to the provisions of SFAS No. 140.

See accompanying notes to financial statements.

60

Statement of
ASSETS & LIABILITIES

October 31, 2007

| | PREMIUM INCOME (NPI) |
|---|-------------------------|
| <hr/> | |
| ASSETS | |
| Investments, at value (cost \$1,493,793,311, \$954,115,571 and \$931,989,546, respectively) | \$1,540,940,537 |
| Cash | -- |
| Unrealized appreciation on forward swaps | 258,595 |
| Receivables: | |
| Interest | 22,576,214 |
| Investments sold | 2,220,621 |
| Other assets | 143,272 |
| <hr/> | |
| Total assets | 1,566,139,239 |
| <hr/> | |
| LIABILITIES | |
| Cash overdraft | 182,572 |
| Floating rate obligations | 93,734,000 |
| Unrealized depreciation on forward swaps | -- |
| Payable for investments purchased | 1,480,711 |
| Accrued expenses: | |
| Management fees | 747,508 |
| Other | 470,941 |
| Common share dividends payable | 3,135,423 |
| Preferred share dividends payable | 168,035 |
| <hr/> | |
| Total liabilities | 99,919,190 |
| <hr/> | |
| Preferred shares, at liquidation value | 525,000,000 |
| <hr/> | |
| Net assets applicable to Common shares | \$ 941,220,049 |
| <hr/> | |
| Common shares outstanding | 63,785,430 |
| <hr/> | |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 14.76 |
| <hr/> | |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | |
| <hr/> | |
| Common shares, \$.01 par value per share | \$ 637,854 |
| Paid-in surplus | 901,373,271 |
| Undistributed (Over-distribution of) net investment income | 1,696,530 |
| Accumulated net realized gain (loss) from investments and derivative transactions | (9,893,427) |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|--|----------------|
| Net unrealized appreciation (depreciation) of investments and derivative transactions | 47,405,821 |
| <hr style="border-top: 1px dashed black;"/> | |
| Net assets applicable to Common shares | \$ 941,220,049 |
| <hr style="border-top: 3px double black;"/> | |
| Authorized shares: | |
| Common | 200,000,000 |
| Preferred | 1,000,000 |
| <hr style="border-top: 3px double black;"/> | |

See accompanying notes to financial statements.

61

Statement of OPERATIONS

Year Ended October 31, 2007

| | PREMIUM INCOME (NPI) |
|--|-------------------------|
| <hr style="border-top: 1px dashed black;"/> | |
| INVESTMENT INCOME | \$ 77,293,973 |
| <hr style="border-top: 1px dashed black;"/> | |
| EXPENSES | |
| Management fees | 8,881,320 |
| Preferred shares - auction fees | 1,312,500 |
| Preferred shares - dividend disbursing agent fees | 60,000 |
| Shareholders' servicing agent fees and expenses | 137,320 |
| Interest expense on floating rate obligations | 3,668,188 |
| Custodian's fees and expenses | 357,359 |
| Directors' fees and expenses | 34,812 |
| Professional fees | 61,772 |
| Shareholders' reports - printing and mailing expenses | 135,613 |
| Stock exchange listing fees | 22,935 |
| Investor relations expense | 154,848 |
| Other expenses | 74,815 |
| <hr style="border-top: 1px dashed black;"/> | |
| Total expenses before custodian fee credit | 14,901,482 |
| Custodian fee credit | (177,703) |
| <hr style="border-top: 1px dashed black;"/> | |
| Net expenses | 14,723,779 |
| <hr style="border-top: 1px dashed black;"/> | |
| Net investment income | 62,570,194 |
| <hr style="border-top: 1px dashed black;"/> | |
| REALIZED AND UNREALIZED GAIN (LOSS) | |
| Net realized gain (loss) from investments | 1,507,533 |
| Net realized gain (loss) from futures | -- |
| Change in net unrealized appreciation (depreciation) of investments | (36,823,378) |
| Change in net unrealized appreciation (depreciation) of forward swaps | 258,595 |
| <hr style="border-top: 1px dashed black;"/> | |
| Net realized and unrealized gain (loss) | (35,057,250) |
| <hr style="border-top: 1px dashed black;"/> | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | |
| From net investment income | (18,733,665) |
| From accumulated net realized gains | -- |
| <hr style="border-top: 1px dashed black;"/> | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (18,733,665) |
| <hr style="border-top: 1px dashed black;"/> | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Net increase (decrease) in net assets applicable to Common shares
from operations

\$ 8,779,279

See accompanying notes to financial statements.

62

Statement of CHANGES in NET ASSETS

| | PREMIUM INCOME (NPI) | | PREMIUM INCOME 2 (NPM) | |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
| | YEAR ENDED 10/31/07 | YEAR ENDED 10/31/06 | YEAR ENDED 10/31/07 | YEAR ENDED 10/31/06 |
| <hr/> | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 62,570,194 | \$ 63,713,302 | \$ 40,002,526 | \$ 39,883,922 |
| Net realized gain (loss) from investments | 1,507,533 | (4,641,502) | 195,490 | 941,224 |
| Net realized gain (loss) from futures | -- | -- | 1,150,416 | -- |
| Change in net unrealized appreciation (depreciation) of investments | (36,823,378) | 35,531,581 | (24,279,042) | 19,612,632 |
| Change in net unrealized appreciation (depreciation) of forward swaps | 258,595 | -- | (791,405) | -- |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (18,733,665) | (16,526,117) | (12,176,545) | (10,401,251) |
| From accumulated net realized gains | -- | -- | (242,538) | (492,501) |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares from operations | 8,779,279 | 78,077,264 | 3,858,902 | 49,544,026 |
| <hr/> | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (45,160,091) | (47,922,007) | (28,315,494) | (31,337,848) |
| From accumulated net realized gains | -- | -- | (706,808) | (2,506,898) |
| <hr/> | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (45,160,091) | (47,922,007) | (29,022,302) | (33,844,746) |
| <hr/> | | | | |
| CAPITAL SHARE TRANSACTIONS | | | | |
| Common shares repurchased | -- | -- | (4,000,767) | -- |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | -- | -- | (4,000,767) | -- |
| <hr/> | | | | |
| Net increase (decrease) in net assets applicable to Common shares | (36,380,812) | 30,155,257 | (29,164,167) | 15,699,280 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Net assets applicable to Common shares at the beginning of year | 977,600,861 | 947,445,604 | 634,981,020 | 619,281,740 |
| ----- | | | | |
| Net assets applicable to Common shares at the end of year | \$941,220,049 | \$977,600,861 | \$605,816,853 | \$634,981,020 |
| ===== | | | | |
| Undistributed (Over-distribution of) net investment income at the end of year | \$ 1,696,530 | \$ 3,232,245 | \$ 95,004 | \$ 585,998 |
| ===== | | | | |

See accompanying notes to financial statements.

63

Statement of CASH FLOWS

Year Ended October 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCREASE (DECREASE) IN NET ASSETS APPLICABLE TO COMMON SHARES FROM OPERATIONS
Adjustments to reconcile the net increase (decrease) in net assets applicable to
Common shares from operations to net cash provided by (used in) operating activities:

- Purchases of investments
- Proceeds from sales and maturities of investments
- Proceeds from sales of futures
- Amortization/(Accretion) of premiums and discounts, net
- (Increase) Decrease in receivable for interest
- (Increase) Decrease in receivable for investments sold
- (Increase) Decrease in other assets
- Increase (Decrease) in payable for investments purchased
- Increase (Decrease) in accrued management fees
- Increase (Decrease) in accrued other liabilities
- Increase (Decrease) in Preferred shares dividends payable
- Net realized (gain) loss from investments
- Net realized (gain) loss from paydowns
- Net realized (gain) loss from futures
- Change in net unrealized (appreciation) depreciation of investments
- Change in net unrealized (appreciation) depreciation of forward swaps
- Taxes paid on undistributed capital gains

Net cash provided by (used in) operating activities

CASH FLOWS FROM FINANCING ACTIVITIES:

- Increase in floating rate obligations
- Cash distributions paid to Common shareholders
- Cost of Common shares repurchases

Net cash provided by (used in) financing activities

NET INCREASE (DECREASE) IN CASH

Cash at the beginning of year

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

CASH AT THE END OF YEAR

=====

See accompanying notes to financial statements.

64

Notes to
FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

The funds (the "Funds") covered in this report and their corresponding Common share New York Stock Exchange symbols are Nuveen Premium Income Municipal Fund, Inc. (NPI), Nuveen Premium Income Municipal Fund 2, Inc. (NPM) and Nuveen Premium Income Municipal Fund 4, Inc. (NPT). The Funds are registered under the Investment Company Act of 1940, as amended, as closed-end, diversified management investment companies.

Each Fund seeks to provide current income exempt from regular federal income tax by investing primarily in a diversified portfolio of municipal obligations issued by state and local government authorities or certain U.S. territories.

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles.

Investment Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service may establish fair value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. Prices of forward swap contracts are also provided by an independent pricing service approved by each Fund's Board of Directors. Futures contracts are valued using the closing settlement price, or in the absence of such a price, at the mean of the bid and asked prices. If the pricing service is unable to supply a price for a municipal bond, forward swap contract or futures contract, each Fund may use a market price or fair market value quote provided by a major broker/dealer in such investments. If it is determined that the market price or fair market value for an investment or derivative transaction is unavailable or inappropriate, the Board of Directors of the Funds, or its designee, may establish a fair value for the investment. Temporary investments in securities that have variable rate and demand features qualifying them as short-term investments are valued at amortized cost, which approximates market value.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. At October 31, 2007, there were no such outstanding purchase commitments in any of the Funds.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also includes paydown gains and losses, if any.

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

65

Notes to FINANCIAL STATEMENTS (continued)

Dividends and Distributions to Common Shareholders

Dividends from tax-exempt net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders not less frequently than annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to Common shareholders of tax-exempt net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. generally accepted accounting principles.

Preferred Shares

The Funds have issued and outstanding Preferred shares, \$25,000 stated value per share, as a means of effecting financial leverage. Each Fund's Preferred shares are issued in more than one Series. The dividend rate paid by the Funds on each Series is determined every seven days, pursuant to a dutch auction process overseen by the auction agent, and is payable at the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | PREMIUM INCOME (NPI) | PRE INCO (|
|-------------------|----------------------------|------------------|
| ----- | | |
| Number of shares: | | |
| Series M | 3,800 | 2 |
| Series M2 | 2,000 | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | |
|---|--------|----|
| Series T | 3,800 | 3 |
| Series T2 | -- | |
| Series W | 3,800 | 2 |
| Series W2 | -- | |
| Series TH | 3,800 | 3 |
| Series F | 3,800 | 2 |
| Series F2 | -- | 1 |
| <hr style="border-top: 1px dashed black;"/> | | |
| Total | 21,000 | 13 |
| <hr style="border-top: 3px double black;"/> | | |

Inverse Floating Rate Securities

Each Fund may invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an "inverse floater") that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an "externally-deposited inverse floater"), or instead by first selling a fixed-rate bond to a broker-dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (referred to as a "self-deposited inverse floater"). A Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse trust" or "credit recovery swap") with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the

difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates, as well as any shortfalls in interest cash flows. The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as an "Inverse floating rate investment". An investment in a self-deposited inverse floater, recourse trust or credit recovery swap is accounted for as a financing transaction in accordance with Statement of Financial Accounting Standards (SFAS) No. 140 "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities". In such instances, a fixed-rate bond deposited into a special purpose trust is

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

identified in the Portfolio of Investments as an "Underlying bond of an inverse floating rate trust", with the Fund accounting for the short-term floating rate certificates issued by the trust as "Floating rate obligations" on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and accounts for the related interest paid to the holders of the short-term floating rate certificates as "Interest expense on floating rate obligations" in the Statement of Operations.

During the fiscal year ended October 31, 2007, each Fund invested in externally deposited inverse floaters and/or self-deposited inverse floaters.

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters during the fiscal year ended October 31, 2007, were as follows:

| | PREMIUM INCOME (NPI) | PRE INCO (|
|---------------------------------------|----------------------------|------------------|
| ----- | | |
| Average floating rate obligations | \$94,578,781 | \$67,642 |
| Average annual interest rate and fees | 3.88% | 3 |
| ===== | | |

Forward Swap Transactions

The Funds are authorized to invest in forward interest rate swap transactions. Each Fund's use of forward interest rate swap transactions is intended to help the Fund manage its overall interest rate sensitivity, either shorter or longer, generally to more closely align the Fund's interest rate sensitivity with that of the broader municipal market. Forward interest rate swap transactions involve each Fund's agreement with a counterparty to pay, in the future, a fixed or variable rate payment in exchange for the counterparty paying the Fund a variable or fixed rate payment, the accruals for which would begin at a specified date in the future (the "effective date"). The amount of the payment obligation is based on the notional amount of the forward swap contract and the termination date of the swap (which is akin to a bond's maturity). The value of the Fund's swap commitment would increase or decrease based primarily on the extent to which long-term interest rates for bonds having a maturity of the swap's termination date increases or decreases. The Funds may terminate a swap contract prior to the effective date, at which point a realized gain or loss is recognized. When a forward swap is terminated, it ordinarily does not involve the delivery of securities or other underlying assets or principal, but rather is settled in cash on a net basis. Each Fund intends, but is not obligated, to terminate its forward swaps before the effective date. Accordingly, the risk of loss with respect to the swap counterparty on such transactions is limited to the credit risk associated with a counterparty failing to honor its commitment to pay any realized gain to the Fund upon termination. To reduce such credit risk, all counterparties are required to pledge collateral daily (based on the daily valuation of each swap) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when any of the Funds have an unrealized loss on a swap contract, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the swap valuations fluctuate, either up or down, by at least the predetermined threshold amount.

Futures Contracts

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

The Funds are authorized to invest in futures contracts. Upon entering into a futures contract, a Fund is required to deposit with the broker an amount of cash or liquid securities equal to a specified percentage of the contract amount. This is known as the "initial margin." Subsequent payments ("variation margin") are made or received by a Fund each day, depending on the daily fluctuation of the value of the contract.

During the period the futures contract is open, changes in the value of the contract are recognized as an unrealized gain or loss by "marking-to-market" on a daily basis to reflect the changes in market value of the contract. When the contract is closed or expired, a Fund records a realized gain or loss equal to the difference between the value of the contract on the closing date and value of the contract when originally entered into. Cash held by the broker to cover initial margin requirements on open futures contracts, if any, is recognized in the Statement of Assets and Liabilities. Additionally, the Statement of Assets and Liabilities reflects a receivable or payable for the variation margin when applicable. Premium Income 2 (NPM) was the only Fund to invest in futures contracts during the fiscal year ended October 31, 2007.

67

Notes to
FINANCIAL STATEMENTS (continued)

Risks of investments in futures contracts include the possible adverse movement of the securities or indices underlying the contracts, the possibility that there may not be a liquid secondary market for the contracts and/or that a change in the value of the contract may not correlate with a change in the value of the underlying securities or indices.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by net credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments. Credits for cash balances may be offset by charges for any days on which the Fund overdraws its account at the custodian bank.

Indemnifications

Under the Funds' organizational documents, their Officers and Directors are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to Common shares from operations during the reporting period. Actual results may differ from those estimates.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

2. FUND SHARES

On July 10, 2007, the Board of Directors of Premium Income 2 (NPM) approved an open-market share repurchase program, as part of a broad, ongoing effort designed to support the market prices of the Fund's Common shares. Under the terms of the program, the Fund may repurchase up to 10% of its outstanding Common shares.

Transactions in Common shares were as follows:

| | PREMIUM INCOME (NPI) | | PREMIUM INCOME 2 (NPM) | | YEAR ENDED 10/31/06 |
|---|-------------------------|------------------------|---------------------------|------------------------|------------------------|
| | YEAR ENDED 10/31/07 | YEAR ENDED 10/31/06 | YEAR ENDED 10/31/07 | YEAR ENDED 10/31/06 | |
| Common shares repurchased | -- | -- | (292,700) | -- | |
| Weighted average price per Common share repurchased | -- | -- | \$13.65 | -- | |
| Weighted average discount per Common share repurchased | -- | -- | 7.30% | -- | |

3. INVESTMENT TRANSACTIONS

Purchases and sales (including maturities but excluding short-term investments and derivative transactions) during the fiscal year ended October 31, 2007, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|----------------------|----------------------------|------------------------------|
| Purchases | \$293,606,070 | \$163,529,572 |
| Sales and maturities | 226,820,591 | 128,081,069 |

4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to the treatment of paydown gains and losses, timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate transactions subject to SFAS No. 140. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts on the Statement of Assets and Liabilities presented in the annual report, based on their federal tax basis treatment; temporary differences do not require reclassification. Temporary and

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

permanent differences do not impact the net asset values of the Funds.

At October 31, 2007, the cost of investments was as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|---------------------|----------------------------|------------------------------|
| ----- | | |
| Cost of investments | \$1,398,933,608 | \$892,722,883 |
| ===== | | |

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2007, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|---|----------------------------|------------------------------|
| ----- | | |
| Gross unrealized: | | |
| Appreciation | \$ 58,716,440 | \$42,934,416 |
| Depreciation | (10,498,018) | (4,667,501) |
| ----- | | |
| Net unrealized appreciation (depreciation) of investments | \$ 48,218,422 | \$38,266,915 |
| ===== | | |

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains at October 31, 2007, the Funds' tax year end, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|---|----------------------------|------------------------------|
| ----- | | |
| Undistributed net tax-exempt income * | \$4,476,869 | \$2,091,171 |
| Undistributed net ordinary income ** | 79,841 | 231,532 |
| Undistributed net long-term capital gains | -- | 1,257,894 |
| ===== | | |

* Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on October 1, 2007, paid on November 1, 2007.

** Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

The tax character of distributions paid during the Funds' tax years ended October 31, 2007 and October 31, 2006, was designated for purposes of the dividends paid deduction as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|--|----------------------------|------------------------------|
| ----- | | |
| 2007 | | |
| Distributions from net tax-exempt income *** | \$63,910,797 | \$40,521,587 |
| Distributions from net ordinary income ** | -- | -- |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Distributions from net long-term capital gains **** -- 949,346

| 2006 | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) |
|--|----------------------------|------------------------------|
| Distributions from net tax-exempt income | \$64,988,153 | \$42,229,150 |
| Distributions from net ordinary income ** | 99,455 | 27,952 |
| Distributions from net long-term capital gains | -- | 3,000,248 |

** Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

*** The Funds hereby designate these amounts paid during the fiscal year ended October 31, 2007, as Exempt Interest Dividends.

**** The Funds hereby designate these amounts paid during the fiscal year ended October 31, 2007, as long-term capital gain dividends pursuant to Internal Revenue Code Section 852(b)(3).

69

Notes to
FINANCIAL STATEMENTS (continued)

At October 31, 2007, the Funds' tax year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| Expiration year: | PREMIUM INCOME (NPI) | PREMIUM INCOME 4 (NPT) |
|------------------|----------------------------|------------------------------|
| 2008 | \$ -- | \$ 355,272 |
| 2009 | -- | -- |
| 2010 | -- | 18,079,555 |
| 2011 | 5,278,911 | 24,792,603 |
| 2012 | -- | -- |
| 2013 | -- | 6,161,830 |
| 2014 | 4,614,516 | 806,337 |
| Total | \$9,893,427 | \$50,195,597 |

5. MANAGEMENT FEES AND OTHER TRANSACTIONS WITH AFFILIATES

Each Fund's management fee is separated into two components - a complex-level component, based on the aggregate amount of all fund assets managed by Nuveen Asset Management (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. ("Nuveen"), and a specific fund-level component, based only on the amount of assets within each individual Fund. This pricing structure enables Nuveen fund shareholders to benefit from growth in the assets within each individual fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

The annual fund-level fee, payable monthly, for each Fund is based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | FUND-LEVEL FEE RATE |
|--|---------------------|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For net assets over \$5 billion | .3750 |

The annual complex-level fee, payable monthly, which is additive to the fund-level fee, for all Nuveen sponsored funds in the U.S., is based on the aggregate amount of total fund assets managed as stated in the tables below. As of October 31, 2007, the complex-level fee rate was .1828%.

70

Effective August 20, 2007, the complex-level fee schedule is as follows:

| COMPLEX-LEVEL ASSET BREAKPOINT LEVEL (1) | EFFECTIVE RATE AT BREAKPOINT LEVEL |
|--|------------------------------------|
| \$55 billion | .2000% |
| \$56 billion | .1996 |
| \$57 billion | .1989 |
| \$60 billion | .1961 |
| \$63 billion | .1931 |
| \$66 billion | .1900 |
| \$71 billion | .1851 |
| \$76 billion | .1806 |
| \$80 billion | .1773 |
| \$91 billion | .1691 |
| \$125 billion | .1599 |
| \$200 billion | .1505 |
| \$250 billion | .1469 |
| \$300 billion | .1445 |

Prior to August 20, 2007, the complex-level fee schedule was as follows:

| COMPLEX-LEVEL ASSET BREAKPOINT LEVEL (1) | EFFECTIVE RATE AT BREAKPOINT LEVEL |
|--|------------------------------------|
| \$55 billion | .2000% |
| \$56 billion | .1996 |
| \$57 billion | .1989 |
| \$60 billion | .1961 |
| \$63 billion | .1931 |
| \$66 billion | .1900 |
| \$71 billion | .1851 |
| \$76 billion | .1806 |
| \$80 billion | .1773 |
| \$91 billion | .1698 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | |
|---------------|-------|
| \$125 billion | .1617 |
| \$200 billion | .1536 |
| \$250 billion | .1509 |
| \$300 billion | .1490 |

=====

- (1) The complex-level fee component of the management fee for the funds is calculated based upon the aggregate Managed Assets ("Managed Assets" means the average daily net assets of each fund including assets attributable to preferred stock issued by or borrowings by the Nuveen funds) of Nuveen-sponsored funds in the U.S.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors who are affiliated with the Adviser or to its Officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors has adopted a deferred compensation plan for independent Directors that enables Directors to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen advised funds.

Agreement and Plan of Merger

On June 20, 2007, Nuveen Investments announced that it had entered into a definitive Agreement and Plan of Merger ("Merger Agreement") with Windy City Investments, Inc. ("Windy City"), a corporation formed by investors led by Madison Dearborn Partners, LLC ("Madison Dearborn"), pursuant to which Windy City would acquire Nuveen Investments. Madison Dearborn is a private equity investment firm based in Chicago, Illinois. The merger was consummated on November 13, 2007.

The consummation of the merger was deemed to be an "assignment" (as that term is defined in the Investment Company Act of 1940) of the investment management agreement between each Fund and the Adviser, and resulted in the automatic termination of each Fund's agreement. The Board of Directors of each Fund considered and approved a new investment management agreement with the Adviser at the same fee rate. The new ongoing agreement was approved by the shareholders of each Fund and took effect on November 13, 2007.

Notes to FINANCIAL STATEMENTS (continued)

The investors led by Madison Dearborn include an affiliate of Merrill Lynch. As a result, Merrill Lynch is an indirect "affiliated person" (as that term is defined in the Investment Company Act of 1940) of each Fund. Certain conflicts of interest may arise as a result of such indirect affiliation. For example, the Funds are generally prohibited from entering into principal transactions with Merrill Lynch and its affiliates. The Adviser does not believe that any such prohibitions or limitations as a result of Merrill Lynch's affiliation will significantly impact the ability of the Funds to pursue their investment objectives and policies.

6. NEW ACCOUNTING PRONOUNCEMENTS

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Financial Accounting Standards Board Interpretation No. 48

On July 13, 2006, the Financial Accounting Standards Board (FASB) released FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" (FIN 48). FIN 48 provides guidance regarding how uncertain tax positions should be recognized, measured, presented and disclosed in the financial statements. FIN 48 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Funds' tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. Adoption of FIN 48 is required for fiscal years beginning after December 15, 2006, and is to be applied to all open tax years as of the effective date. SEC guidance allows funds to delay implementing FIN 48 into NAV calculations until the fund's last NAV calculation in the first required financial statement reporting period. As a result, the Funds must begin to incorporate FIN 48 into their NAV calculations by April 30, 2008. At this time, management is continuing to evaluate the implications of FIN 48 and does not expect the adoption of FIN 48 will have a significant impact on the net assets or results of operations of the Funds.

Financial Accounting Standards Board Statement on Financial Accounting Standards No. 157

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement on Financial Accounting Standards (SFAS) No. 157, "Fair Value Measurements." This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value and requires additional disclosures about fair value measurements. SFAS No. 157 applies to fair value measurements already required or permitted by existing standards. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. The changes to current generally accepted accounting principles from the application of this standard relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. As of October 31, 2007, management does not believe the adoption of SFAS No. 157 will impact the financial statement amounts; however, additional disclosures may be required about the inputs used to develop the measurements and the effect of certain of the measurements included within the Statement of Operations for the period.

7. SUBSEQUENT EVENTS

Distributions to Common Shareholders

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 3, 2007, to shareholders of record on November 15, 2007, as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|--------------------------------------|----------------------------|------------------------------|------------------------------|
| ----- Dividend per share ===== | \$.0590 | \$.0575 | \$.0485 |

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each period:

| | Investment Operations | | | | | |
|------------------------|--|-----------------------------|---|---|---|--------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total |
| PREMIUM INCOME (NPI) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2007 | \$15.33 | \$.98 | \$ (.55) | \$ (.29) | \$ -- | \$.14 |
| 2006 | 14.85 | 1.00 | .49 | (.26) | -- | 1.23 |
| 2005 | 15.20 | .98 | (.26) | (.16) | -- | .56 |
| 2004 | 14.87 | 1.01 | .36 | (.08) | -- | 1.29 |
| 2003 | 14.87 | 1.05 | (.03) | (.07) | -- | .95 |
| PREMIUM INCOME 2 (NPM) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2007 | 15.45 | .97 | (.55) | (.30) | (.01) | .11 |
| 2006 | 15.07 | .97 | .49 | (.25) | (.01) | 1.20 |
| 2005 | 15.53 | .98 | (.24) | (.16) | (.01) | .57 |
| 2004 | 15.09 | 1.02 | .48 | (.08) | -- | 1.42 |
| 2003 | 15.27 | 1.08 | (.10) | (.07) | (.01) | .90 |

| | Total Returns | | | |
|------------------------|---|---------------------------|---------------------------------|---|
| | Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value* | Based on Common Share Net Asset Value* |
| PREMIUM INCOME (NPI) | | | | |
| Year Ended 10/31: | | | | |
| 2007 | \$14.76 | \$13.30 | (1.02)% | .93% |
| 2006 | 15.33 | 14.13 | 7.52 | 8.53 |
| 2005 | 14.85 | 13.87 | 3.37 | 3.71 |
| 2004 | 15.20 | 14.30 | 8.82 | 9.00 |
| 2003 | 14.87 | 14.06 | 6.48 | 6.58 |
| PREMIUM INCOME 2 (NPM) | | | | |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | | |
|-------------------|-------|-------|-------|------|
| Year Ended 10/31: | | | | |
| 2007 | 14.85 | 13.25 | (.81) | .71 |
| 2006 | 15.45 | 14.05 | 6.71 | 8.24 |
| 2005 | 15.07 | 13.97 | 2.98 | 3.71 |
| 2004 | 15.53 | 14.57 | 9.48 | 9.77 |
| 2003 | 15.09 | 14.25 | 6.57 | 6.07 |

Ratios/Supplemental Data

| | Ratios to Average Net Assets Applicable to Common Shares Before Credit/Refund | | | Ratios to Average Net Assets Applicable to Common Shares After Credit/Refund | | |
|--|---|--|--|--|--|--|
| | Ending Net Assets Applicable to Common Shares (000) | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) | Net Investment Income++ | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) |

PREMIUM INCOME (NPI)

| | | | | | |
|-------------------|-----------|-------|-------|-------|-------|
| Year Ended 10/31: | | | | | |
| 2007 | \$941,220 | 1.56% | 1.17% | 6.52% | 1.54% |
| 2006 | 977,601 | 1.19 | 1.19 | 6.64 | 1.16 |
| 2005 | 947,446 | 1.19 | 1.19 | 6.44 | 1.18 |
| 2004 | 969,539 | 1.21 | 1.21 | 6.76 | 1.20 |
| 2003 | 948,312 | 1.22 | 1.22 | 7.02 | 1.22 |

PREMIUM INCOME 2 (NPM)

| | | | | | |
|-------------------|---------|------|------|------|------|
| Year Ended 10/31: | | | | | |
| 2007 | 605,817 | 1.62 | 1.19 | 6.44 | 1.60 |
| 2006 | 634,981 | 1.20 | 1.20 | 6.42 | 1.20 |
| 2005 | 619,282 | 1.20 | 1.20 | 6.40 | 1.19 |
| 2004 | 637,981 | 1.21 | 1.21 | 6.75 | 1.21 |
| 2003 | 619,916 | 1.22 | 1.22 | 7.06 | 1.21 |

Preferred Shares at End of Period

Floating Rate Obligations
at End of Period

| | Preferred Shares at End of Period | | | Floating Rate Obligations at End of Period | |
|--|---|---|--------------------------------|---|----------------------------------|
| | Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share | Aggregate Amount Outstanding (000) | Asset Coverage Per \$1,000 |

PREMIUM INCOME (NPI)

| | | | | | |
|-------------------|-----------|----------|----------|----------|----------|
| Year Ended 10/31: | | | | | |
| 2007 | \$525,000 | \$25,000 | \$69,820 | \$93,734 | \$16,642 |
| 2006 | 525,000 | 25,000 | 71,552 | -- | -- |
| 2005 | 525,000 | 25,000 | 70,116 | -- | -- |
| 2004 | 525,000 | 25,000 | 71,169 | -- | -- |
| 2003 | 525,000 | 25,000 | 70,158 | -- | -- |

PREMIUM INCOME 2 (NPM)

| | | | | | |
|-------------------|---------|--------|--------|--------|--------|
| Year Ended 10/31: | | | | | |
| 2007 | 347,000 | 25,000 | 68,647 | 61,125 | 16,588 |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | | | |
|------|---------|--------|--------|----|----|
| 2006 | 347,000 | 25,000 | 70,748 | -- | -- |
| 2005 | 347,000 | 25,000 | 69,617 | -- | -- |
| 2004 | 347,000 | 25,000 | 70,964 | -- | -- |
| 2003 | 347,000 | 25,000 | 69,663 | -- | -- |

* Total Return on Market Value 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 reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period takes place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

** After custodian fee credit and legal fee refund, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1-Inverse Floating Rate Securities.

See accompanying notes to financial statements.

74-75 spread

Financial
HIGHLIGHTS (continued)

Selected data for a Common share outstanding throughout each period:

| | | Investment Operations | | | | | |
|-----------|-------|-----------------------|-------------|---------------|---------------|-------|--|
| | | | | Distributions | Distributions | | |
| | | | | from Net | from | | |
| | | | | Investment | Capital | | |
| | | | | Income to | Gains to | | |
| | | | | Preferred | Preferred | | |
| | | | | Share- | Share- | | |
| | | | | holders+ | holders+ | | |
| | | | | | | | |
| Beginning | Share | Net | Realized/ | | | | |
| Common | Net | Investment | Unrealized | | | | |
| Share | Asset | Income | Gain (Loss) | Share- | Share- | | |
| Value | Value | | | holders+ | holders+ | Total | |

PREMIUM INCOME 4 (NPT)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Year Ended 10/31:

| | | | | | | |
|------|---------|-------|----------|----------|-------|--------|
| 2007 | \$13.69 | \$.90 | \$ (.45) | \$ (.28) | \$ -- | \$.17 |
| 2006 | 13.38 | .90 | .35 | (.25) | -- | 1.00 |
| 2005 | 13.54 | .91 | (.10) | (.16) | -- | .65 |
| 2004 | 13.15 | .94 | .40 | (.08) | -- | 1.26 |
| 2003 | 13.46 | .93 | (.32) | (.07) | -- | .54 |

Total Returns

| Ending Common Share Net Asset Value | Ending Market Value | Based on Market Value* | Based on Common Share Net Asset Value* |
|---|---------------------------|---------------------------------|---|
|---|---------------------------|---------------------------------|---|

PREMIUM INCOME 4 (NPT)

Year Ended 10/31:

| | | | | |
|------|---------|---------|---------|-------|
| 2007 | \$13.22 | \$11.77 | (3.30)% | 1.25% |
| 2006 | 13.69 | 12.80 | 9.89 | 7.72 |
| 2005 | 13.38 | 12.31 | 3.07 | 4.87 |
| 2004 | 13.54 | 12.74 | 8.98 | 9.90 |
| 2003 | 13.15 | 12.52 | 3.09 | 4.12 |

Ratios/Supplemental Data

| Ending Net Assets Applicable to Common Shares (000) | Ratios to Average Net Assets Applicable to Common Shares Before Credit/Refund | | | Ratios to Average Net Assets Applicable to Common Shares After Credit/Refund | |
|--|---|--|-------------------------------|--|--|
| | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) | Net Investment Income++ | Expenses Including Interest++(a) | Expenses Excluding Interest++(a) |

PREMIUM INCOME 4 (NPT)

Year Ended 10/31:

| | | | | | |
|------|-----------|-------|-------|-------|-------|
| 2007 | \$571,427 | 1.69% | 1.23% | 6.68% | 1.68% |
| 2006 | 591,941 | 1.25 | 1.25 | 6.70 | 1.23 |
| 2005 | 578,517 | 1.26 | 1.26 | 6.63 | 1.22 |
| 2004 | 585,284 | 1.30 | 1.30 | 7.10 | 1.29 |
| 2003 | 568,776 | 1.36 | 1.36 | 6.95 | 1.35 |

| Preferred Shares at End of Period | | | Floating Rate Obligations at End of Period | |
|---|---|--------------------------------|---|----------------------------------|
| Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share | Aggregate Amount Outstanding (000) | Asset Coverage Per \$1,000 |

PREMIUM INCOME 4 (NPT)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Year Ended 10/31:

| | | | | | |
|------|-----------|----------|----------|----------|----------|
| 2007 | \$338,400 | \$25,000 | \$67,215 | \$70,818 | \$13,847 |
| 2006 | 338,400 | 25,000 | 68,731 | -- | -- |
| 2005 | 338,400 | 25,000 | 67,739 | -- | -- |
| 2004 | 338,400 | 25,000 | 68,239 | -- | -- |
| 2003 | 338,400 | 25,000 | 67,019 | -- | -- |

* Total Return on Market Value 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 reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period takes place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return on Common Share Net Asset Value is the combination of changes in Common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvest price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Total returns are not annualized.

** After custodian fee credit and legal fee refund, where applicable.

+ The amounts shown are based on Common share equivalents.

++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

(a) Interest expense arises from the application of SFAS No. 140 to certain inverse floating rate transactions entered into by the Fund as more fully described in Footnote 1-Inverse Floating Rate Securities.

See accompanying notes to financial statements.

76-77 spread

Board Members & Officers

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board Members of the Funds. The number of board members of the Fund is currently set at eight. None of the board members who are not "interested" persons of the Funds has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the board members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

| NAME, BIRTHDATE & ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED | NUMBER OF PORTFOLIOS IN FUND COMPLEX | PRINCI OCCUPA INCLUD |
|---------------------------------|------------------------------------|---------------------------------------|--|----------------------------|
|---------------------------------|------------------------------------|---------------------------------------|--|----------------------------|

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

AND TERM(2) OVERSEEN BY DIRECT DURING BOARD MEMBER

BOARD MEMBER WHO IS AN INTERESTED PERSON OF THE FUNDS:

| | | | | |
|--|---|---------------------------------|------------|---|
| <p>[] TIMOTHY R. SCHWERTFEGER(1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Chairman of the Board and Board Member</p> | <p>1994 ANNUAL</p> | <p>182</p> | <p>Former 2007), Non-Ex 2007-N Execut of Nuv Asset subsid Inc.; Instit</p> |
|--|---|---------------------------------|------------|---|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | | |
|---|--|---------------------------------|------------|---|
| <p>[] ROBERT P. BREMNER 8/22/40 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Lead Independent Board member</p> | <p>1997 ANNUAL</p> | <p>182</p> | <p>Privat Consul</p> |
| <p>[] JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Board member</p> | <p>1999 ANNUAL</p> | <p>182</p> | <p>Presid a priv (since Chairm held o Regent System Life T Colleg Adviso Financ Busine Direct Direct Chicag Operat Inc., firm.</p> |
| <p>[] WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Board member</p> | <p>2004 ANNUAL</p> | <p>182</p> | <p>Dean, Univer former Profes at the (2003- Presid the Fe (1995- Credit Univer Xerox Techno 2005).</p> |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| NAME, BIRTHDATE & ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED AND TERM(2) | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY BOARD MEMBER | PRINCI OCCUPA INCLUD DIRECT DURING |
|---------------------------------|------------------------------------|--|---|--|
|---------------------------------|------------------------------------|--|---|--|

BOARD MEMBERS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | | |
|---|--------------|----------------|-----|--|
| [] DAVID J. KUNDERT 10/28/42 333 W. Wacker Drive Chicago, IL 60606 | Board member | 2005 ANNUAL | 180 | Direct Manage as Cha Manage Invest Presid theret One Co Banc O Member Colleg Associ Direct Garden Milwau |
| [] WILLIAM J. SCHNEIDER 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 ANNUAL | 182 | Chairm Ltd., former Operat Direct former Counci |
| [] JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Board member | 1997 ANNUAL | 182 | Execut Donnel theret Protec |
| [] CAROLE E. STONE 6/28/47 333 West Wacker Drive Chicago, IL 60606 | Board member | 2007 ANNUAL | 182 | Direct (since Associ 2005); Commis (since York S (2000- Contro Local (2000- |

79

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER | PRINCI OCCUPA DURING |
|-----------------------------------|------------------------------------|---|--|----------------------------|
|-----------------------------------|------------------------------------|---|--|----------------------------|

OFFICERS OF THE FUND:

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | | |
|--|---|-------------|------------|---|
| <p>[] GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Chief Administrative Officer</p> | <p>1988</p> | <p>182</p> | <p>Managi Assist Genera Presid of Nuve Direct Counse Nuveen and As Invest (since Advise Asset Manage Tradew Santa (since and Ri 2007); Genera of Rit (since 2004) 1994) Assist Sympho</p> |
| <p>[] WILLIAMS ADAMS IV 6/9/55 333 West Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>2007</p> | <p>120</p> | <p>Execut Struct Invest theret Invest</p> |
| <p>[] JULIA L. ANTONATOS 9/22/63 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>2004</p> | <p>182</p> | <p>Managi Vice P Invest Analys</p> |
| <p>[] CEDRIC H. ANTOSIEWICZ 1/11/62 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>2007</p> | <p>120</p> | <p>Managi previo of Nuve</p> |
| <p>[] MICHAEL T. ATKINSON 2/3/66 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Assistant Secretary</p> | <p>2000</p> | <p>182</p> | <p>Vice P Invest</p> |
| <p>[] PETER H. D'ARRIGO 11/28/67 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>1999</p> | <p>182</p> | <p>Vice P Invest Inc.; Nuveen Nuveen 2002); Compan Asset Tradew (since Manage HydePa &Tiern of Sym</p> |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

[] LORNA C. FERGUSON
 10/24/45
 333 W. Wacker Drive Vice President 1998 182
 Chicago, IL 60606

[] WILLIAM M. FITZGERALD
 3/2/64
 333 W. Wacker Drive Vice President 1995 182
 Chicago, IL 60606

80

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (4) | NUMBER OF PORTFOLIOS IN FUND COMPLEX OVERSEEN BY OFFICER | PRINCIPAL OCCUPATION DURING |
|--|---|---|--|--|
| OFFICERS OF THE FUND: | | | | |
| [] STEPHEN D. FOY 5/31/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | 182 | Vice P Contro Invest Presid (1998- Certif |
| [] WALTER M. KELLY 2/24/70 333 West Wacker Drive Chicago, IL 60606 | Chief Compliance Officer and Vice President | 2003 | 182 | Vice P Assist Genera Invest Presid Nuveen Associ Vedden |
| [] DAVID J. LAMB 3/22/63 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2000 | 182 | Vice P Invest Account |
| [] TINA M. LAZAR 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | 182 | Vice P (since |

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| | | | |
|--|---|-------------|------------|
| <p>[] LARRY W. MARTIN 7/27/51 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Assistant Secretary</p> | <p>1988</p> | <p>182</p> |
| <p>[] KEVIN J. MCCARTHY 3/26/66 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Secretary</p> | <p>2007</p> | <p>182</p> |
| <p>[] JOHN V. MILLER 4/10/67 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President</p> | <p>2007</p> | <p>182</p> |
| <p>[] JAMES F. RUANE 7/3/62 333 W. Wacker Drive Chicago, IL 60606</p> | <p>Vice President and Assistant Secretary</p> | <p>2007</p> | <p>182</p> |

Vice P
Assist
Invest
Presid
Nuveen
Instit
Presid
Secret
Vice P
Assist
Nuveen
(since
Assist
of Rit
Vice P
of Nuve
(since
Compan
Asset
Tradew
Barbar
2006)
and Ri
2007).

Vice P
(since
Assist
Manage
Manage
Advise
Instit
Invest
Tradew
NWQHol
Manage
Manage
LLC an
2007);
Genera
Inc. (I
Partne
(1997-

Managi
former
Nuveen
Financ

Vice P
2007;
Touche
senior
Certif

(1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, by reason of being the former Chairman and Chief Executive Officer of Nuveen Investments, Inc. and having previously served in various other capacities with Nuveen Investments, Inc. and its subsidiaries. It is expected that Mr. Schwertfeger will resign from the Board of Trustees by the end of the second quarter of 2008.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

- (2) Board Members serve a one year term to serve until the next annual meeting or until their successors shall have been duly elected and qualified. The first year elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.
- (3) Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp. were reorganized into Nuveen Asset Management, effective January 1, 2005.
- (4) Officers serve one year terms through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

81

Annual Investment Management Agreement APPROVAL PROCESS

The Board Members are responsible for overseeing the performance of the investment adviser to the Funds and determining whether to continue the advisory arrangements. At the annual review meeting held on May 21, 2007 (the "May Meeting"), the Board Members of the Funds, including the Independent Board Members, unanimously approved the continuance of the Investment Management Agreement between each Fund (each, a "Fund") and Nuveen Asset Management ("NAM"). The foregoing Investment Management Agreements with NAM are hereafter referred to as the "Original Investment Management Agreements."

Subsequent to the May Meeting, Nuveen Investments, Inc. ("Nuveen"), the parent company of NAM, entered into a merger agreement providing for the acquisition of Nuveen by Windy City Investments, Inc., a corporation formed by investors led by Madison Dearborn Partners, LLC ("MDP"), a private equity investment firm (the "Transaction"). Each Original Investment Management Agreement, as required by Section 15 of the Investment Company Act of 1940 (the "1940 Act"), provides for its automatic termination in the event of its "assignment" (as defined in the 1940 Act). Any change in control of the adviser is deemed to be an assignment. The consummation of the Transaction will result in a change of control of NAM as well as its affiliated sub-advisers and therefore cause the automatic termination of each Original Investment Management Agreement, as required by the 1940 Act. Accordingly, in anticipation of the Transaction, at a meeting held on July 31, 2007 (the "July Meeting"), the Board Members, including the Independent Board Members, unanimously approved new Investment Management Agreements (the "New Investment Management Agreements") with NAM on behalf of each Fund to take effect immediately after the Transaction or shareholder approval of the new advisory contracts, whichever is later. The 1940 Act also requires that each New Investment Management Agreement be approved by the respective Fund's shareholders in order for it to become effective. Accordingly, to ensure continuity of advisory services, the Board Members, including the Independent Board Members, unanimously approved Interim Investment Management Agreements to take effect upon the closing of the Transaction if shareholders have not yet approved the New Investment Management Agreements.

Because the information provided and considerations made at the annual review continue to be relevant with respect to the evaluation of the New Investment Management Agreements, the Board considered the foregoing as part of its deliberations of the New Investment Management Agreements. Accordingly, as indicated, the discussions immediately below outline the materials and information presented to the Board in connection with the Board's prior annual

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

review and the analysis undertaken and the conclusions reached by Board Members when determining to continue the Original Investment Management Agreements.

I. APPROVAL OF THE ORIGINAL INVESTMENT MANAGEMENT AGREEMENTS

During the course of the year, the Board received a wide variety of materials relating to the services provided by NAM and the performance of the Funds. At each of its quarterly meetings, the Board reviewed investment performance and various matters relating to the operations of the Funds and other Nuveen funds, including the compliance program, shareholder services, valuation, custody, distribution and other information relating to the nature, extent and quality of services provided by NAM. Between the regularly scheduled quarterly meetings, the Board Members received information on particular matters as the need arose.

In preparation for their considerations at the May Meeting, the Independent Board Members received extensive materials, well in advance of the meeting, which outlined or are related to, among other things:

- [] the nature, extent and quality of services provided by NAM;
- [] the organization and business operations of NAM, including the responsibilities of various departments and key personnel;

82

- [] each Fund's past performance as well as the Fund's performance compared to funds with similar investment objectives based on data and information provided by an independent third party and to customized benchmarks;
- [] the profitability of Nuveen and certain industry profitability analyses for unaffiliated advisers;
- [] the expenses of Nuveen in providing the various services;
- [] the advisory fees and total expense ratios of each Fund, including comparisons of such fees and expenses with those of comparable, unaffiliated funds based on information and data provided by an independent third party (the "Peer Universe") as well as compared to a subset of funds within the Peer Universe (the "Peer Group") of the respective Fund (as applicable);
- [] the advisory fees NAM assesses to other types of investment products or clients;
- [] the soft dollar practices of NAM, if any; and
- [] from independent legal counsel, a legal memorandum describing among other things, applicable laws, regulations and duties in reviewing and approving advisory contracts.

At the May Meeting, NAM made a presentation to, and responded to questions from, the Board. Prior to and after the presentations and reviewing the written materials, the Independent Board Members met privately with their legal counsel to review the Board duties in reviewing advisory contracts and considering the renewal of the advisory contracts. The Independent Board Members, in consultation with independent counsel, reviewed the factors set out in judicial decisions and Securities and Exchange Commission ("SEC") directives relating to the renewal of advisory contracts. As outlined in more detail below, the Board Members considered all factors they believed relevant with respect to each Fund,

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

including, but not limited to, the following: (a) the nature, extent and quality of the services to be provided by NAM; (b) the investment performance of the Fund and NAM; (c) the costs of the services to be provided and profits to be realized by Nuveen and its affiliates; (d) the extent to which economies of scale would be realized; and (e) whether fee levels reflect those economies of scale for the benefit of the Fund's investors. In addition, as noted, the Board Members met regularly throughout the year to oversee the Funds. In evaluating the Original Investment Management Agreements, the Board Members also relied upon their knowledge of NAM, its services and the Funds resulting from their meetings and other interactions throughout the year. It is with this background that the Board Members considered each Original Investment Management Agreement.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In considering the renewal of the Original Investment Management Agreements, the Board Members considered the nature, extent and quality of NAM's services. The Board Members reviewed materials outlining, among other things, Nuveen's organization and business; the types of services that NAM or its affiliates provide and are expected to provide to the Funds; the performance record of the applicable Fund (as described in further detail below); and, any initiatives Nuveen had taken for the municipal fund product line. As noted, at the annual review, the Board Members were already familiar with the organization, operations and personnel of NAM due to the Board Members' experience in governing the respective Funds and working with NAM on matters relating to the Funds. With respect to personnel, the Board Members recognized NAM's investment in additional qualified personnel throughout the various groups in the organization and recommended to NAM that it continue to review staffing needs as necessary. In addition, the Board Members reviewed materials describing the current status and, in particular, the developments in 2006 with respect to NAM's investment process, investment strategies (including additional tools used in executing such strategies), personnel (including portfolio management and research teams), trading process, hedging activities, risk management operations (e.g., reviewing credit quality, duration limits, and derivatives use, as applicable), and investment operations (such as enhancements to trading procedures, pricing procedures, and client services). The Board Members recognized NAM's investment of resources and efforts to continue to enhance and refine its investment process.

83

ANNUAL INVESTMENT MANAGEMENT AGREEMENT APPROVAL PROCESS (continued)

In addition to advisory services, the Independent Board Members considered the quality of administrative and non-advisory services provided by NAM and noted that NAM and its affiliates provide the Funds with a wide variety of services and officers and other personnel as are necessary for the operations of the Funds, including:

- [] product management;
- [] fund administration;
- [] oversight by shareholder services and other fund service providers;
- [] administration of Board relations;

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

- [] regulatory and portfolio compliance; and
- [] legal support.

As the Funds operate in a highly regulated industry and given the importance of compliance, the Board Members considered, in particular, Nuveen's compliance activities for the Funds and enhancements thereto. In this regard, the Board Members recognized the quality of Nuveen's compliance team. The Board Members further noted Nuveen's negotiations with other service providers and the corresponding reduction in certain service providers' fees at the May Meeting.

In addition to the foregoing services, the Board Members also noted the additional services that NAM or its affiliates provide to Nuveen's closed-end funds, including, in particular, its secondary market support activities. The Board Members recognized Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end funds through a variety of programs designed to raise investor and analyst awareness and understanding of closed-end funds. These efforts include:

- [] maintaining shareholder communications;
- [] providing advertising for the Nuveen closed-end funds;
- [] maintaining its closed-end fund website;
- [] maintaining continual contact with financial advisers;
- [] providing educational symposia;
- [] conducting research with investors and financial analysis regarding closed-end funds; and
- [] evaluating secondary market performance.

With respect to the Nuveen closed-end funds that utilize leverage through the issuance of preferred shares ("Preferred Shares"), the Board Members noted Nuveen's continued support for the holders of Preferred Shares by, among other things:

- [] maintaining an in-house trading desk;
- [] maintaining a product manager for the Preferred Shares;
- [] developing distribution for Preferred Shares with new market participants;
- [] maintaining an orderly auction process;
- [] managing leverage and risk management of leverage; and
- [] maintaining systems necessary to test compliance with rating agency criteria.

Based on their review, the Board Members found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the respective Funds under the Original Investment Management Agreements were satisfactory.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

At the May Meeting, the Board considered the investment performance for each Fund, including the Fund's historic performance as well as its performance compared to funds with similar investment objectives (the "Performance Peer Group") based on data provided by an independent third party (as described below). The Board Members also reviewed the respective Fund's portfolio level performance (which does not reflect fund level fees and expenses, and leverage) against customized benchmarks, described in further detail below.

In evaluating the performance information during the annual review at the May Meeting, in certain instances, the Board Members noted that the closest Performance Peer Group for a fund may not adequately reflect such fund's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such fund's performance with that of the Performance Peer Group.

With respect to state-specific municipal funds, the Board Members also recognized that certain funds do not have a corresponding state-specific Performance Peer Group in which case their performance is measured against a more general municipal category for various states. With respect to municipal closed-end funds, funds that do not have corresponding state-specific Performance Peer Groups are from states other than New York, California, Florida, New Jersey, Michigan and Pennsylvania. However, with respect to funds based in Florida, New Jersey, Michigan and Pennsylvania, the peer group may be so small or the Nuveen funds may dominate the category to such an extent that performance information for such funds was also compared to the more general category for all states (other than New York and California).

The Board Members reviewed performance information including, among other things, total return information compared with the Fund's Performance Peer Group for the one-, three- and five-year periods (as applicable) ending December 31, 2006. The Board Members also reviewed the Fund's portfolio level performance (which does not reflect fund level fees and expenses, and leverage) compared to customized portfolio level benchmarks for the one- and three-year periods ending December 31, 2006 (as applicable). The analysis was used to assess the efficacy of investment decisions against appropriate measures of risk and total return, within specific market segments. This information supplemented the Fund performance information provided to the Board at each of its quarterly meetings. Based on their review, the Board Members determined that each Fund's investment performance over time had been satisfactory, subject to the following. With respect to various municipal closed-end funds, the Board Members noted relative total return underperformance in recent years compared to peers. The Board Members reviewed materials and discussed with NAM the factors contributing to the shift in performance including, among other things, the degree of risk undertaken by peers compared to the municipal closed-end funds (such as through the increased use of leverage or taking concentrated positions in high risk credits). In addition, the Board Members also considered a fund's dividend performance and the extent of any secondary market discounts. The Board Members noted NAM's efforts to evaluate the factors affecting performance and determine whether modification to a fund's investment strategy is necessary or appropriate, and concluded that they were satisfied with the steps being taken.

C. FEES, EXPENSES AND PROFITABILITY

1. FEES AND EXPENSES

During the annual review, in evaluating the management fees and expenses of a Fund, the Board reviewed, among other things, the Fund's advisory fees (net and gross management fees) and total expense ratios (before and after expense reimbursements and/or waivers) in absolute terms as well as comparisons to the gross management fees (before waivers), net management fees (after waivers) and total expense ratios (before and after waivers) of comparable funds in the Peer Universe and the Peer Group. In reviewing the

fee schedule for a Fund, the Board Members considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen (applicable, in particular, for certain funds launched since 1999). The Board Members further reviewed data regarding the construction of Peer Groups as well as the methods of measurement for the fee and expense analysis and the performance analysis. In certain cases, due to the small number of peers in the Peer Universe, the Peer Universe and Peer Group had significant overlap or even consisted entirely of the same unaffiliated funds. In reviewing the comparisons of fee and expense information, the Board Members recognized that in certain cases, the fund size relative to peers, the small size and odd composition of the Peer Group (including differences

ANNUAL INVESTMENT MANAGEMENT AGREEMENT
APPROVAL PROCESS (continued)

in objectives and strategies), expense anomalies, timing of information used or other factors impacting the comparisons thereby limited some of the usefulness of the comparative data. The Board Members also considered the differences in the use of leverage. Based on their review of the fee and expense information provided, the Board Members determined that each Fund's net total expense ratio was within an acceptable range compared to peers.

2. COMPARISONS WITH THE FEES OF OTHER CLIENTS

At the annual review, the Board Members further reviewed data comparing the advisory fees of NAM with fees NAM charges to other clients. With respect to municipal funds, such clients include NAM's municipal separately managed accounts. In general, the advisory fees charged for separate accounts are somewhat lower than the advisory fees assessed to the Funds. The Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Board Members noted, in particular, that the range of services provided to the Funds (as discussed above) is much more extensive than that provided to separately managed accounts. As described in further detail above, such additional services include, but are not limited to: product management, fund administration, oversight of third party service providers, administration of Board relations, and legal support. The Board Members noted that the Funds operate in a highly regulated industry requiring extensive compliance functions compared to other investment products. Given the inherent differences in the products, particularly the extensive services provided to the Funds, the Board Members believe such facts justify the different levels of fees.

3. PROFITABILITY OF NUVEEN

In conjunction with its review of fees, the Board Members also considered the profitability of Nuveen for its advisory activities (which incorporated Nuveen's wholly-owned affiliated sub-advisers) and its financial condition. At the annual review, the Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last three years, the allocation methodology used in preparing the profitability data as well as the 2006 Annual Report for Nuveen. The Board Members noted this information supplemented the profitability information requested and received during

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Board Members noted the enhanced dialogue and information regarding profitability with NAM during the year, including more frequent meetings and updates from Nuveen's corporate finance group. The Board Members also reviewed data comparing Nuveen's profitability with other fund sponsors prepared by three independent third party service providers as well as comparisons of the revenues, expenses and profit margins of various unaffiliated management firms with similar amounts of assets under management prepared by Nuveen.

In reviewing profitability, the Board Members recognized the subjective nature of determining profitability which may be affected by numerous factors, including the allocation of expenses. Further, the Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations.

Notwithstanding the foregoing, the Board Members reviewed Nuveen's methodology and assumptions for allocating expenses across product lines to determine profitability. Last year, the Board Members also designated an Independent Board Member as a point person for the Board to review the methodology determinations during the year and any refinements thereto, which relevant information produced from such process was reported to the full Board. In reviewing profitability, the Board Members recognized Nuveen's increased investment in its fund business. Based on its review, the Board Members concluded that Nuveen's level of profitability for its advisory activities was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Board Members also considered other amounts paid to NAM by the Funds as well as any indirect benefits (such as soft dollar arrangements, if any) NAM and its affiliates receive, or are expected to receive, that are directly attributable to the management of the

86

Funds, if any. See Section E below for additional information on indirect benefits NAM may receive as a result of its relationship with the Funds. Based on their review of the overall fee arrangements of each Fund, the Board Members determined that the advisory fees and expenses of the Funds were reasonable.

D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE

With respect to economies of scale, the Board Members recognized the potential benefits resulting from the costs of a Fund being spread over a larger asset base. To help ensure the shareholders share in these benefits, the Board Members reviewed and considered the breakpoints in the advisory fee schedules that reduce advisory fees. In addition to advisory fee breakpoints, the Board also approved a complex-wide fee arrangement in 2004. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. In evaluating the complex-wide fee arrangement, the Board Members noted that the last complex-wide asset level breakpoint for the complex-wide fee schedule was at \$91 billion and that the Board Members anticipated further review and/or negotiations prior to the assets of the Nuveen complex reaching such threshold.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Based on their review, the Board Members concluded that the breakpoint schedule and complex-wide fee arrangement were acceptable and desirable in providing benefits from economies of scale to shareholders, subject to further evaluation of the complex-wide fee schedule as assets in the complex increase. See Section II, Paragraph D - "Approval of the New Investment Management Agreements - Economies of Scale and Whether Fee Levels Reflect These Economies of Scale" for information regarding subsequent modifications to the complex-wide fee.

E. INDIRECT BENEFITS

In evaluating fees, the Board Members also considered any indirect benefits or profits NAM or its affiliates may receive as a result of its relationship with each Fund. With respect to closed-end funds, the Board Members considered the revenues received by affiliates of NAM for serving as agent at Nuveen's preferred trading desk and for serving as a co-manager in the initial public offering of new closed-end exchange traded funds.

In addition to the above, the Board Members considered whether NAM received any benefits from soft dollar arrangements whereby a portion of the commissions paid by a Fund for brokerage may be used to acquire research that may be useful to NAM in managing the assets of the Funds and other clients. With respect to NAM, the Board Members noted that NAM does not currently have any soft dollar arrangements; however, to the extent certain bona fide agency transactions that occur on markets that traditionally trade on a principal basis and riskless principal transactions are considered as generating "commissions," NAM intends to comply with the applicable safe harbor provisions.

Based on their review, the Board Members concluded that any indirect benefits received by NAM as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. OTHER CONSIDERATIONS

The Board Members did not identify any single factor discussed previously as all-important or controlling in their considerations to continue an advisory contract. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the Original Investment Management Agreements are fair and reasonable, that NAM's fees are reasonable in light of the services provided to each Fund and that the renewal of the Original Investment Management Agreements be approved.

II. APPROVAL OF THE NEW INVESTMENT MANAGEMENT AGREEMENTS

Following the May Meeting, the Board Members were advised of the potential Transaction. As noted above, the completion of the Transaction would terminate each of the Original Investment Management Agreements. Accordingly, at the July Meeting, the Board of each Fund, including the Independent Board Members, unanimously approved the New Investment Management Agreements on behalf of the respective Funds. Leading up to the July Meeting, the Board Members had several meetings and deliberations with and without Nuveen management present, and with the advice of legal counsel, regarding the proposed Transaction as outlined below.

On June 8, 2007, the Board Members held a special telephonic meeting to discuss the proposed Transaction. At that meeting, the Board Members established a special ad hoc committee comprised solely of Independent Board Members to focus on the Transaction and to keep the Independent Board Members

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

ANNUAL INVESTMENT MANAGEMENT AGREEMENT APPROVAL PROCESS (continued)

updated with developments regarding the Transaction. On June 15, 2007, the ad hoc committee discussed with representatives of NAM the Transaction and modifications to the complex-wide fee schedule that would generate additional fee savings at specified levels of complex-wide asset growth. Following the foregoing meetings and several subsequent telephonic conferences among Independent Board Members and independent counsel, and between Independent Board Members and representatives of Nuveen, the Board met on June 18, 2007 to further discuss the proposed Transaction. Immediately prior to and then again during the June 18, 2007 meeting, the Independent Board Members met privately with their independent legal counsel. At that meeting, the Board met with representatives of MDP, of Goldman Sachs, Nuveen's financial adviser in the Transaction, and of the Nuveen Board to discuss, among other things, the history and structure of MDP, the terms of the proposed Transaction (including the financing terms), and MDP's general plans and intentions with respect to Nuveen (including with respect to management, employees, and future growth prospects). On July 9, 2007, the Board also met to be updated on the Transaction as part of a special telephonic Board meeting. The Board Members were further updated at a special in-person Board meeting held on July 19, 2007 (one Independent Board Member participated telephonically). Subsequently, on July 27, 2007, the ad hoc committee held a telephonic conference with representatives of Nuveen and MDP to further discuss, among other things, the Transaction, the financing of the Transaction, retention and incentive plans for key employees, the effect of regulatory restrictions on transactions with affiliates after the Transaction, and current volatile market conditions and their impact on the Transaction.

In connection with their review of the New Investment Management Agreements, the Independent Board Members, through their independent legal counsel, also requested in writing and received additional information regarding the proposed Transaction and its impact on the provision of services by NAM and its affiliates.

The Independent Board Members received, well in advance of the July Meeting, materials which outlined, among other things:

- [] the structure and terms of the Transaction, including MDP's co-investor entities and their expected ownership interests, and the financing arrangements that will exist for Nuveen following the closing of the Transaction;
- [] the strategic plan for Nuveen following the Transaction;
- [] the governance structure for Nuveen following the Transaction;
- [] any anticipated changes in the operations of the Nuveen funds following the Transaction, including changes to NAM's and Nuveen's day-to-day management, infrastructure and ability to provide advisory, distribution or other applicable services to the Funds;
- [] any changes to senior management or key personnel who work on Fund related matters (including portfolio management, investment oversight, and legal/compliance) and any retention or incentive arrangements for such persons;
- [] any anticipated effect on each Fund's expense ratio (including advisory fees) following the Transaction;
- [] any benefits or undue burdens imposed on the Funds as a result of the

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Transaction;

- [] any legal issues for the Funds as a result of the Transaction;
- [] the nature, quality and extent of services expected to be provided to the Funds following the Transaction, changes to any existing services and policies affecting the Funds, and cost-cutting efforts, if any, that may impact such services or policies;
- [] any conflicts of interest that may arise for Nuveen or MDP with respect to the Funds;
- [] the costs associated with obtaining necessary shareholder approvals and who would bear those costs; and
- [] from legal counsel, a memorandum describing the applicable laws, regulations and duties in approving advisory contracts, including, in particular, with respect to a change of control.

88

Immediately preceding the July Meeting, representatives of MDP met with the Board to further respond to questions regarding the Transaction. After the meeting with MDP, the Independent Board Members met with independent legal counsel in executive session. At the July Meeting, Nuveen also made a presentation and responded to questions. Following the presentations and discussions of the materials presented to the Board, the Independent Board Members met again in executive session with their counsel. As outlined in more detail below, the Independent Board Members considered all factors they believed relevant with respect to each Fund, including the impact that the Transaction could be expected to have on the following: (a) the nature, extent and quality of services to be provided; (b) the investment performance of the Funds; (c) the costs of the services and profits to be realized by Nuveen and its affiliates; (d) the extent to which economies of scale would be realized; and (e) whether fee levels reflect those economies of scale for the benefit of investors. As noted above, the Board Members had completed their annual review of the respective Original Investment Management Agreements at the May Meeting and many of the factors considered at the annual review were applicable to their evaluation of the New Investment Management Agreements. Accordingly, in evaluating the New Investment Management Agreements, the Board Members relied upon their knowledge and experience with NAM and considered the information received and their evaluations and conclusions drawn at the annual review. While the Board reviewed many Nuveen funds at the July Meeting, the Independent Board Members evaluated all information available to them on a fund-by-fund basis, and their determinations were made separately in respect of each Fund.

A. NATURE, EXTENT AND QUALITY OF SERVICES

In evaluating the nature, quality and extent of the services expected to be provided by NAM under the New Investment Management Agreements, the Independent Board Members considered, among other things, the expected impact, if any, of the Transaction on the operations, facilities, organization and personnel of NAM; the potential implications of regulatory restrictions on the Funds following the Transaction; the ability of NAM and its affiliates to perform their duties after the Transaction; and any anticipated changes to the current investment and other practices of the Funds.

The Board noted that the terms of each New Investment Management Agreement, including the fees payable thereunder, are substantially identical to those of

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

the Original Investment Management Agreement relating to the same Fund (with both reflecting reductions to fee levels in the complex-wide fee schedule for complex-wide assets in excess of \$80 billion that have an effective date of August 20, 2007). The Board considered that the services to be provided and the standard of care under the New Investment Management Agreements are the same as the Original Investment Management Agreements. The Board Members further noted that key personnel who have responsibility for the Funds in each area, including portfolio management, investment oversight, fund management, fund operations, product management, legal/compliance and board support functions, are expected to be the same following the Transaction. The Board Members considered and are familiar with the qualifications, skills and experience of such personnel. The Board also considered certain information regarding anticipated retention or incentive plans designed to retain key personnel. Further, the Board Members noted that no changes to Nuveen's infrastructure or operations as a result of the Transaction were anticipated other than potential enhancements as a result of an expected increase in the level of investment in such infrastructure and personnel. The Board noted MDP's representations that it does not plan to have a direct role in the management of Nuveen, appointing new management personnel, or directly impacting individual staffing decisions. The Board Members also noted that there were not any planned "cost cutting" measures that could be expected to reduce the nature, extent or quality of services. After consideration of the foregoing, the Board Members concluded that no diminution in the nature, quality and extent of services provided to the Funds and their shareholders is expected.

In addition to the above, the Board Members considered potential changes in the operations of each Fund. In this regard, the Board Members considered the potential effect of regulatory restrictions on the Funds' transactions with future affiliated persons. During their deliberations, it was noted that, after the Transaction, a subsidiary of Merrill Lynch is expected to have an ownership interest in Nuveen at a level that will make Merrill Lynch an affiliated person of Nuveen. The Board Members recognized that applicable law would generally prohibit the Funds from engaging in securities transactions with Merrill Lynch as principal, and would also impose restrictions on using Merrill Lynch for agency transactions. They recognized that having MDP and Merrill Lynch as affiliates may restrict the Nuveen funds' ability to invest in securities of issuers controlled by MDP or issued by Merrill Lynch and its affiliates even if not bought directly from MDP or Merrill

89

ANNUAL INVESTMENT MANAGEMENT AGREEMENT APPROVAL PROCESS (continued)

Lynch as principal. They also recognized that various regulations may require the Nuveen funds to apply investment limitations on a combined basis with affiliates of Merrill Lynch. The Board Members considered information provided by NAM regarding the potential impact on the Nuveen funds' operations as a result of these regulatory restrictions. The Board Members considered, in particular, the Nuveen funds that may be impacted most by the restricted access to Merrill Lynch, including: municipal funds (particularly certain state-specific funds), senior loan funds, taxable fixed income funds, preferred security funds and funds that heavily use derivatives. The Board Members considered such funds' historic use of Merrill Lynch as principal in their transactions and information provided by NAM regarding the expected impact resulting from Merrill Lynch's affiliation with Nuveen and available measures that could be taken to minimize such impact. NAM informed the Board Members that, although difficult to determine with certainty, its management did not believe that MDP's or Merrill Lynch's status as an affiliate of Nuveen would

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

have a material adverse effect on any Nuveen fund's ability to pursue its investment objectives and policies.

In addition to the regulatory restrictions considered by the Board, the Board Members also considered potential conflicts of interest that could arise between the Nuveen funds and various parties to the Transaction and discussed possible ways of addressing such conflicts.

Based on its review along with its considerations regarding services at the annual review, the Board concluded that the Transaction was not expected to adversely affect the nature, quality or extent of services provided by NAM and that the expected nature, quality and extent of such services supported approval of the New Investment Management Agreements.

B. PERFORMANCE OF THE FUNDS

With respect to the performance of the Funds, the Board considered that the portfolio management personnel responsible for the management of the Funds' portfolios were expected to continue to manage the portfolios following the completion of the Transaction.

In addition, the Board Members recently reviewed Fund performance at the May Meeting, as described above, and determined that Fund performance was satisfactory or better, subject to the following. With respect to certain municipal closed-end funds with relative short-term underperformance, the Board Members concluded NAM was taking steps to evaluate the factors affecting performance and those steps would continue following the Transaction. Further, the investment policies and strategies were not expected to change as a result of the Transaction.

In light of the foregoing factors, along with the prior findings regarding performance at the annual review, the Board concluded that its findings with respect to performance supported approval of the New Investment Management Agreements.

C. FEES, EXPENSES AND PROFITABILITY

As described in more detail above, during the annual review, the Board Members considered, among other things, the management fees and expenses of the Funds, the breakpoint schedules, and comparisons of such fees and expenses with peers. At the annual review, the Board Members determined that the respective Fund's advisory fees and expenses were reasonable. In evaluating the costs of services to be provided by NAM under the New Investment Management Agreements and the profitability of Nuveen for its advisory activities, the Board Members considered their prior conclusions at the annual review and whether the management fees or other expenses would change as a result of the Transaction. As described above, the investment management fee is composed of two components--a fund-level component and complex-wide level component. The fee schedule under the New Investment Management Agreements to be paid to NAM is identical to that under the Original Investment Management Agreements, including the modified complex-wide fee schedule. As noted above, the Board recently approved a modified complex-wide fee schedule that would generate additional fee savings on complex-wide assets above \$80 billion. The modifications have an effective date of August 20, 2007 and are part of the Original Investment Management Agreements. Accordingly, the terms of the complex-wide component under the New Investment Management Agreements are the same as under the Original Investment Management Agreements. The Board Members also noted that Nuveen has committed for a period of two years from the

date of closing of the Transaction that it will not increase gross management fees for any Nuveen fund and will not reduce voluntary expense reimbursement levels for any Nuveen fund from their currently scheduled prospective levels. Based on the information provided, the Board Members did not expect that overall Fund expenses would increase as a result of the Transaction.

In addition, the Board Members considered that additional fund launches were anticipated after the Transaction which would result in an increase in total assets under management in the complex and a corresponding decrease in overall management fees under the complex-wide fee schedule. Taking into consideration the Board's prior evaluation of fees and expenses at the annual renewal, and the modification to the complex-wide fee schedule, the Board determined that the management fees and expenses were reasonable.

While it is difficult to predict with any degree of certainty the impact of the Transaction on Nuveen's profitability, at the recent annual review, the Board Members were satisfied that Nuveen's level of profitability for its advisory activities was reasonable. During the year, the Board Members had noted the enhanced dialogue regarding profitability and the appointment of an Independent Board Member as a point person to review methodology determinations and refinements in calculating profitability. Given their considerations at the annual review and the modifications to the complex-wide fee schedule, the Board Members were satisfied that Nuveen's level of profitability for its advisory activities continues to be reasonable.

D. ECONOMIES OF SCALE AND WHETHER FEE LEVELS REFLECT THESE ECONOMIES OF SCALE

The Board Members have been cognizant of economies of scale and the potential benefits resulting from the costs of a Fund being spread over a larger asset base. To help ensure that shareholders share in the benefits derived from economies of scale, the Board adopted the complex-wide fee arrangement in 2004. At the May Meeting, the Board Members reviewed the complex-wide fee arrangements and noted that additional negotiations may be necessary or appropriate as the assets in the complex approached the \$91 billion threshold. In light of this assessment coupled with the upcoming Transaction, at the June 15, 2007 meeting, the ad hoc committee met with representatives of Nuveen to further discuss modifications to the complex-wide fee schedule that would generate additional savings for shareholders as the assets of the complex grow. The proposed terms for the complex-wide fee schedule are expressed in terms of targeted cumulative savings at specified levels of complex-wide assets, rather than in terms of targeted marginal complex-wide fee rates. Under the modified schedule, the schedule would generate additional fee savings beginning at complex-wide assets of \$80 billion in order to achieve targeted cumulative annual savings at \$91 billion of \$28 million on a complex-wide level (approximately \$0.6 million higher than those generated under the then current schedule) and generate additional fee savings for asset growth above complex-wide assets of \$91 billion in order to achieve targeted annual savings at \$125 billion of assets of approximately \$50 million on a complex-wide level (approximately \$2.2 million higher annually than that generated under the then current schedule). At the July Meeting, the Board approved the modified complex-wide fee schedule for the Original Investment Management Agreements and these same terms will apply to the New Investment Management Agreements. Accordingly, the Board Members believe that the breakpoint schedules and revised complex-wide fee schedule are appropriate and desirable in ensuring that shareholders participate in the benefits derived from economies of scale.

E. INDIRECT BENEFITS

During their recent annual review, the Board Members considered any indirect benefits that NAM may receive as a result of its relationship with the Funds, as

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

described above. As the policies and operations of Nuveen are not anticipated to change significantly after the Transaction, such indirect benefits should remain after the Transaction. The Board Members further considered any additional indirect benefits to be received by NAM or its affiliates after the Transaction. The Board Members noted that other than benefits from its ownership interest in Nuveen and indirect benefits from fee revenues paid by the Funds under the management agreements and other Board-approved relationships, it was currently not expected that MDP or its affiliates would derive any benefit from the Funds as a result of the Transaction or transact any business with or on behalf of the Funds (other than perhaps potential Fund acquisitions, in secondary market transactions, of securities issued by MDP portfolio companies); or that Merrill Lynch or its affiliates would derive any benefits from the Funds as a result of the Transaction (noting that, indeed, Merrill Lynch would stand to experience the discontinuation of principal transaction activity with the Nuveen funds and likely would experience a noticeable reduction in the volume of agency transactions with the Nuveen funds).

91

ANNUAL INVESTMENT MANAGEMENT AGREEMENT APPROVAL PROCESS (continued)

F. OTHER CONSIDERATIONS

In addition to the factors above, the Board Members also considered the following with respect to the Funds:

- [] Nuveen would rely on the provisions of Section 15(f) of the 1940 Act. Section 15(f) provides, in substance, that when a sale of a controlling interest in an investment adviser occurs, the investment adviser or any of its affiliated persons may receive any amount or benefit in connection with the sale so long as (i) during the three-year period following the consummation of a transaction, at least 75% of the investment company's board of directors must not be "interested persons" (as defined in the 1940 Act) of the investment adviser or predecessor adviser and (ii) an "unfair burden" (as defined in the 1940 Act, including any interpretations or no-action letters of the SEC) must not be imposed on the investment company as a result of the transaction relating to the sale of such interest, or any express or implied terms, conditions or understanding applicable thereto. In this regard, to help ensure that an unfair burden is not imposed on the Nuveen funds, Nuveen has committed for a period of two years from the date of the closing of the Transaction (i) not to increase gross management fees for any Nuveen fund; (ii) not to reduce voluntary expense reimbursement levels for any Nuveen fund from their currently scheduled prospective levels during that period; (iii) that no Nuveen fund whose portfolio is managed by a Nuveen affiliate shall use Merrill Lynch as a broker with respect to portfolio transactions done on an agency basis, except as may be approved in the future by the Compliance Committee of the Board; and (iv) that NAM shall not cause the Funds and other municipal funds that NAM manages, as a whole, to enter into portfolio transactions with or through the other minority owners of Nuveen, on either a principal or an agency basis, to a significantly greater extent than both what one would expect an investment team to use such firm in the normal course of business, and what NAM has historically done, without prior Board or Compliance Committee approval (excluding the impact of proportionally increasing the use of such other "minority owners" to fill the void necessitated by not being able to use Merrill Lynch).

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

- [] The Funds would not incur any costs in seeking the necessary shareholder approvals for the New Investment Management Agreements (except for any costs attributed to seeking shareholder approvals of Fund specific matters unrelated to the Transaction, such as approval of Board Members, in which case a portion of such costs will be borne by the applicable Funds).
- [] The reputation, financial strength and resources of MDP.
- [] The long-term investment philosophy of MDP and anticipated plans to grow Nuveen's business to the benefit of the Nuveen funds.
- [] The benefits to the Nuveen funds as a result of the Transaction including: (i) as a private company, Nuveen may have more flexibility in making additional investments in its business; (ii) as a private company, Nuveen may be better able to structure compensation packages to attract and retain talented personnel; (iii) as certain of Nuveen's distribution partners are expected to be equity or debt investors in Nuveen, Nuveen may be able to take advantage of new or enhanced distribution arrangements with such partners; and (iv) MDP's experience, capabilities and resources that may help Nuveen identify and acquire investment teams or firms and finance such acquisitions.
- [] The historic premium and discount levels at which the shares of the Nuveen funds have traded at specified dates with particular focus on the premiums and discounts after the announcement of the Transaction, taking into consideration recent volatile market conditions and steps or initiatives considered or undertaken by NAM to address discount levels.

92

G. CONCLUSION

The Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the New Investment Management Agreements are fair and reasonable, that the fees therein are reasonable in light of the services to be provided to each Fund and that the New Investment Management Agreements should be approved and recommended to shareholders.

III. APPROVAL OF INTERIM CONTRACTS

As noted above, at the July Meeting, the Board Members, including the Independent Board Members, unanimously approved the Interim Investment Management Agreements. If necessary to assure continuity of advisory services, the Interim Investment Management Agreements will take effect upon the closing of the Transaction if shareholders have not yet approved the New Investment Management Agreements. The terms of each Interim Investment Management Agreement are substantially identical to those of the corresponding Original Investment Management Agreement and New Investment Management Agreement, respectively, except for certain term and escrow provisions. In light of the foregoing, the Board Members, including the Independent Board Members, unanimously determined that the scope and quality of services to be provided to the Funds under the respective Interim Investment Management Agreement are at least equivalent to the scope and quality of services provided under the applicable Original Investment Management Agreement.

93

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Reinvest Automatically
EASILY and CONVENIENTLY

NUVEEN MAKES REINVESTING EASY. A PHONE CALL IS ALL IT TAKES TO SET UP YOUR REINVESTMENT ACCOUNT.

NUVEEN CLOSED-END FUNDS DIVIDEND REINVESTMENT PLAN

Your Nuveen Closed-End Fund allows you to conveniently reinvest dividends and/or capital gains distributions in additional Fund shares.

By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of tax-free compounding. Just like dividends or distributions in cash, there may be times when income or capital gains taxes may be payable on dividends or distributions that are reinvested.

It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

94

FLEXIBLE

You may change your distribution option or withdraw from the Plan at any time,

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan.

The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

CALL TODAY TO START REINVESTING DIVIDENDS AND/OR DISTRIBUTIONS

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

95

NOTES

96

NOTES

97

NOTES

98

NOTES

99

NOTES

NOTES

Glossary of
TERMS USED in this REPORT

- [] AVERAGE ANNUAL TOTAL RETURN: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

- [] AVERAGE EFFECTIVE MATURITY: The average of the number of years to maturity of the bonds in a Fund's portfolio, computed by weighting each bond's time to maturity (the date the security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions unless an escrow account has been established to redeem the bond before maturity. The market value weighting for an investment in an inverse floating rate security is the value of the portfolio's residual interest in the inverse floating rate trust, and does not include the value of the floating rate securities issued by the trust.

- [] INVERSE FLOATERS: Inverse floating rate securities are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

- [] LEVERAGE-ADJUSTED DURATION: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is longer than the duration of the Fund's portfolio of bonds.

- [] MARKET YIELD (ALSO KNOWN AS DIVIDEND YIELD OR CURRENT YIELD): An investment's current annualized dividend divided by its current market

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

price.

- [] NET ASSET VALUE (NAV): A Fund's common share NAV per share is calculated by subtracting the liabilities of the Fund (including any MuniPreferred shares issued in order to leverage the Fund) from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.
- [] TAXABLE-EQUIVALENT YIELD: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.
- [] ZERO COUPON BOND: A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Tax-exempt income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

102

Other Useful INFORMATION

QUARTERLY PORTFOLIO OF INVESTMENTS AND PROXY VOTING INFORMATION

Each Fund's (i) quarterly portfolio of investments, (ii) information regarding how the Funds voted proxies relating to portfolio securities held during the twelve-month period ended June 30, 2007, and (iii) a description of the policies and procedures that the Funds used to determine how to vote proxies relating to portfolio securities are available without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com.

You may also obtain this and other Fund information directly from the Securities and Exchange Commission ("SEC"). The SEC may charge a copying fee for this information. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC at 1-202-942-8090 for room hours and operation. You may also request Fund information by sending an e-mail request to publicinfo@sec.gov or by writing to the SEC's Public References Section at 450 Fifth Street NW, Washington, D.C. 20549.

CEO CERTIFICATION DISCLOSURE

Each Fund's Chief Executive Officer has submitted to the Exchange the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

Each Fund has filed with the Securities and Exchange Commission the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

INVESTMENT POLICY CHANGE

In May 2007, the Funds' Board of Directors voted to permit the Funds' to make loans from Fund assets to certain bond issuers. The amounts of these loans are subject to strict limits. This policy is designed to enhance the Funds' ability to meet their Funds' investment objectives by providing for increased portfolio

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

management flexibility, greater diversification potential, and opportunities for increased capital appreciation over time.

BOARD OF DIRECTORS

Robert P. Bremner
Jack B. Evans
William C. Hunter
David J. Kundert
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale
Carole E. Stone

FUND MANAGER

Nuveen Asset Management
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust Company
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

State Street Bank & Trust Company
Nuveen Funds
P.O. Box 43071
Providence, RI 02940-3071
(800) 257-8787

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP
Chicago, IL

Each Fund intends to repurchase shares of its own common stock in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, NPM repurchased 292,700 common shares. Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

103

Nuveen Investments:

SERVING INVESTORS FOR GENERATIONS

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions. For the past century, Nuveen Investments has adhered to the belief that the best approach to investing is to apply conservative risk-management principles to help minimize volatility.

Building on this tradition, we today offer a range of high quality equity and fixed-income solutions that are integral to a well-diversified core portfolio.

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Our clients have come to appreciate this diversity, as well as our continued adherence to proven, long-term investing principles.

We offer many different investing solutions for our clients' different needs.

Managing \$170 billion in assets, as of September 30, 2007, Nuveen Investments offers access to a number of different asset classes and investing solutions through a variety of products. Nuveen Investments markets its capabilities under six distinct brands: Nuveen, a leader in fixed-income investments; NWQ, a leader in value-style equities; Rittenhouse, a leader in growth-style equities; Symphony, a leading institutional manager of market-neutral alternative investment portfolios; Santa Barbara, a leader in growth equities; and Tradewinds, a leader in global equities.

Find out how we can help you reach your financial goals.

To learn more about the products and services Nuveen Investments offers, talk to your financial advisor, or call us at (800) 257-8787. Please read the information provided carefully before you invest. Be sure to obtain a prospectus, where applicable. Investors should consider the investment objective and policies, risk considerations, charges and expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. For a prospectus, please contact your securities representative or Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at:

www.nuveen.com/etf

Share prices
Fund details
Daily financial news
Investor education
Interactive planning tools

EAN-E-1007D

ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/etf. (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial expert is Jack B. Evans, Chairman of the Audit Committee, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Premium Income Municipal Fund, Inc.

The following tables show the amount of fees that Ernst & Young LLP, the Fund's auditor, billed to the Fund during the Fund's last two full fiscal years. For engagements with Ernst & Young LLP the Audit Committee approved in advance all audit services and non-audit services that Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the "pre-approval exception"). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE FUND

| FISCAL YEAR ENDED | AUDIT FEES BILLED TO FUND (1) | AUDIT-RELATED FEES BILLED TO FUND (2) | TAX FEES BILLED TO FUND |
|--|----------------------------------|--|----------------------------|
| October 31, 2007 | \$ 45,546 | \$ 0 | \$ 5 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |
| October 31, 2006 | \$ 43,097 | \$ 0 | \$ 4 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | |

(1) "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.

(2) "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

review of financial statements and are not reported under "Audit Fees".

- (3) "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) "All Other Fees" are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by Ernst & Young LLP to Nuveen Asset Management ("NAM" or the "Adviser"), and any entity controlling, controlled by or under common control with NAM ("Control Affiliate") that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

| FISCAL YEAR ENDED | AUDIT-RELATED FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | TAX FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS | ALL OTHER BILLED TO AD AND AFFILIATE SERVICE PROV |
|--|--|--|---|
| October 31, 2007 | \$ 0 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | 0% |
| October 31, 2006 | \$ 0 | \$ 0 | \$ 0 |
| Percentage approved pursuant to pre-approval exception | 0% | 0% | 0% |

NON-AUDIT SERVICES

The following table shows the amount of fees that Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. The Audit

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

Committee is required to pre-approve non-audit services that Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the de minimis exception described above). The Audit Committee requested and received information from Ernst & Young LLP about any non-audit services that Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating Ernst & Young LLP's independence.

| FISCAL YEAR ENDED | TOTAL NON-AUDIT FEES BILLED TO FUND | TOTAL NON-AUDIT FEES BILLED TO ADVISER AND AFFILIATED FUND SERVICE PROVIDERS (ENGAGEMENTS RELATED DIRECTLY TO THE OPERATIONS AND FINANCIAL REPORTING OF THE FUND) |
|-------------------|---|---|
| October 31, 2007 | \$ 3,650 | \$ 0 |
| October 31, 2006 | \$ 3,350 | \$ 0 |

October 31, 2007

\$ 3,650

\$ 0

October 31, 2006

\$ 3,350

\$ 0

"Non-Audit Fees billed to Adviser" for both fiscal year ends represent "Tax Fees" billed to Adviser in their respective amounts from the previous table.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under \$5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board of Directors or Trustees has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Robert P. Bremner, Jack B. Evans, William J. Schneider and David J. Kundert. Mr. Eugene S. Sunshine, who also served as a member of the Committee during this reporting period, resigned from the Board of Directors or Trustees effective July 31, 2007.

ITEM 6. SCHEDULE OF INVESTMENTS.

See Portfolio of Investments in Item 1.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

The registrant invests its assets primarily in municipal bonds and cash

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

management securities. On rare occasions the registrant may acquire, directly or through a special purpose vehicle, equity securities of a municipal bond issuer whose bonds the registrant already owns when such bonds have deteriorated or are expected shortly to deteriorate significantly in credit quality. The purpose of acquiring equity securities generally will be to acquire control of the municipal bond issuer and to seek to prevent the credit deterioration or facilitate the liquidation or other workout of the distressed issuer's credit problem. In the course of exercising control of a distressed municipal issuer, NAM may pursue the registrant's interests in a variety of ways, which may entail negotiating and executing consents, agreements and other arrangements, and otherwise influencing the management of the issuer. NAM does not consider such activities proxy voting for purposes of Rule 206(4)-6 under the 1940 Act, but nevertheless provides reports to the registrant's Board of Trustees on its control activities on a quarterly basis.

In the rare event that a municipal issuer were to issue a proxy or that the registrant were to receive a proxy issued by a cash management security, NAM would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the registrant's Board of Trustees or its representative. A member of NAM's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 206(4)-6, reports were filed with the SEC on Form N-PX, and the results provided to the registrant's Board of Trustees and made available to shareholders as required by applicable rules.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

THE PORTFOLIO MANAGER

The following individual has primary responsibility for the day-to-day implementation of the registrant's investment strategies:

| NAME | FUND |
|--------------|--|
| PAUL BRENNAN | Nuveen Premium Income Municipal Fund, Inc. |

Other Accounts Managed. In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

| PORTFOLIO MANAGER | TYPE OF ACCOUNT MANAGED | NUMBER OF ACCOUNTS | ASSETS |
|-------------------|----------------------------------|-----------------------|------------------|
| Paul Brennan | Registered Investment Company | 14 | \$10.842 billion |
| | Other Pooled Investment Vehicles | 0 | \$0 |
| | Other Accounts | 1 | \$.7 million |

* Assets are as of October 31, 2007. None of the assets in these accounts are subject to an advisory fee based on performance.

Compensation. Each portfolio manager's compensation consists of three basic elements--base salary, cash bonus and long-term incentive compensation. The compensation strategy is to annually compare overall compensation, including these three elements, to the market in order to create a compensation structure that is competitive and consistent with similar financial services companies. As discussed below, several factors are considered in determining each portfolio manager's total compensation. In any year these factors may include, among others, the effectiveness of the investment strategies recommended by the portfolio manager's investment team, the investment performance of the accounts managed by the portfolio manager, and the overall performance of Nuveen Investments, Inc. (the parent company of NAM). Although investment performance is a factor in determining the portfolio manager's compensation, it is not necessarily a decisive factor. The portfolio manager's performance is evaluated

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

in part by comparing manager's performance against a specified investment benchmark. This fund-specific benchmark is a customized subset (limited to bonds in each Fund's specific state and with certain maturity parameters) of the S&P/Investortools Municipal Bond index, an index comprised of bonds held by managed municipal bond fund customers of Standard & Poor's Securities Pricing, Inc. that are priced daily and whose fund holdings aggregate at least \$2 million. As of November 30, 2007, the S&P/Investortools Municipal Bond Index was comprised of 52,116 securities with an aggregate current market value of \$1,034 billion.

Base salary. Each portfolio manager is paid a base salary that is set at a level determined by NAM in accordance with its overall compensation strategy discussed above. NAM is not under any current contractual obligation to increase a portfolio manager's base salary.

Cash bonus. Each portfolio manager is also eligible to receive an annual cash bonus. The level of this bonus is based upon evaluations and determinations made by each portfolio manager's supervisors, along with reviews submitted by his peers. These reviews and evaluations often take into account a number of factors, including the effectiveness of the investment strategies recommended to the NAM's investment team, the performance of the accounts for which he serves as portfolio manager relative to any benchmarks established for those accounts, his effectiveness in communicating investment performance to stockholders and their representatives, and his contribution to the NAM's investment process and to the execution of investment strategies. The cash bonus component is also impacted by the overall performance of Nuveen Investments, Inc. in achieving its business objectives.

Long-term incentive compensation. Each portfolio manager is eligible to receive bonus compensation in the form of equity-based awards issued in securities issued by Nuveen Investments, Inc. The amount of such compensation is dependent upon the same factors articulated for cash bonus awards but also factors in his long-term potential with the firm.

Material Conflicts of Interest. Each portfolio manager's simultaneous management of the registrant and the other accounts noted above may present actual or apparent conflicts of interest with respect to the allocation and aggregation of securities orders placed on behalf of the Registrant and the other account. NAM, however, believes that such potential conflicts are mitigated by the fact that the NAM has adopted several policies that address potential conflicts of interest, including best execution and trade allocation policies that are designed to ensure (1) that portfolio management is seeking the best price for portfolio securities under the circumstances, (2) fair and equitable allocation of investment opportunities among accounts over time and (3) compliance with applicable regulatory requirements. All accounts are to be treated in a non-preferential manner, such that allocations are not based upon account performance, fee structure or preference of the portfolio manager, although the allocation procedures may provide allocation preferences to funds with special characteristics (such as favoring state funds versus national funds for allocations of in-state bonds). In addition, NAM has adopted a Code of Conduct that sets forth policies regarding conflicts of interest.

Beneficial Ownership of Securities. As of October 31, 2007, the portfolio manager beneficially owned the following dollar range of equity securities issued by the Registrant and other Nuveen Funds managed by NAM's municipal investment team.

DOLLAR RANGE OF BENEFICIAL OWNERSHIP

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

| NAME OF PORTFOLIO MANAGER | FUND | EQUITY SECURITIES BENEFICIALLY OWNED IN FUND | IN NUV BY INV |
|---------------------------|--|---|------------------------|
| Paul Brennan | Nuveen Premium Income Municipal Fund, Inc. | \$1-\$10,000 | \$10 |

PORTFOLIO MANAGER BIO:

Paul Brennan, CFA, CPA, became a portfolio manager of Flagship Financial Inc. in 1994, and subsequently became an Assistant Vice President of NAM upon the acquisition of Flagship Resources Inc. by Nuveen in 1997. He became Vice President of NAM in 2002. He currently manages investments for 15 Nuveen-sponsored investment companies.

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrants Board implemented after the registrant last provided disclosure in response to this item.

ITEM 11. CONTROLS AND PROCEDURES.

- (a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).
- (b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d))) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form. Letter or number the exhibits in the sequence indicated.

- (a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at www.nuveen.com/etf and there were no amendments during the period covered by this report. (To view the code, click on the Investor Resources drop down menu box, click on Fund Governance and then Code of Conduct.)

Edgar Filing: NUVEEN PREMIUM INCOME MUNICIPAL FUND INC - Form N-CSR

(a) (2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a) (3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Premium Income Municipal Fund, Inc.

By (Signature and Title)* /s/ Kevin J. McCarthy

Kevin J. McCarthy
Vice President and Secretary

Date: January 7, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: January 7, 2008

By (Signature and Title)* /s/ Stephen D. Foy

Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: January 7, 2008

* Print the name and title of each signing officer under his or her signature.