

FEDERATED PREMIER MUNICIPAL INCOME FUND

Form N-CSRS

August 05, 2011

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

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

811-21235

(Investment Company Act File Number)

Federated Premier Municipal Income Fund

(Exact Name of Registrant as Specified in Charter)

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

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

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

Date of Fiscal Year End: 11/30/2011

Date of Reporting Period: Six months ended 05/31/11

Item 1. Reports to Stockholders

Federated Premier Municipal Income Fund

Federated Premier Intermediate Municipal Income Fund

Funds Established 2002

Financial Highlights

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Quarterly Portfolio Schedule

Source of Distributions - Notice

Financial Highlights – Federated Premier Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 5/31/2011	Year Ended November 30,				
		2010	2009	2008	2007	2006
Net Asset Value, Beginning of Period	\$13.49	\$13.25	\$11.08	\$14.60	\$15.56	\$15.05
Income From Investment Operations:						
Net investment income	0.52 ¹	1.05 ¹	1.07 ¹	1.12 ¹	1.12 ¹	1.12 ¹
Net realized and unrealized gain (loss) on investments, swap contracts and futures contracts	(0.14)	0.25	2.13	(3.59)	(0.96)	0.55
Distributions to preferred shareholders from net investment income ²	(0.01)	(0.01)	(0.02)	(0.25)	(0.32)	(0.29)
TOTAL FROM INVESTMENT OPERATIONS	0.37	1.29	3.18	(2.72)	(0.16)	1.38
Less Distributions to Common Shareholders:						
Distributions from net investment income	(0.52)	(1.05)	(1.01)	(0.80)	(0.80)	(0.87)
Net Asset Value, End of Period	\$13.34	\$13.49	\$13.25	\$11.08	\$14.60	\$15.56
Market Price, End of Period	\$13.60	\$14.36	\$14.47	\$9.37	\$13.92	\$15.80
Total Return at Net Asset Value³	2.99%	9.90%	29.89%	(19.45)%	(1.01)%	9.51%
Total Return at Market Price⁴	(1.40)%	6.87%	67.59%	(28.31)%	(7.03)%	15.90%
Ratios to Average Net Assets:						
Net expenses ⁵	1.04% ⁶	1.03%	1.03%	0.98% ⁷	0.85%	0.85%
Net expenses excluding interest and trust expenses on inverse floater structures ⁵	0.85% ⁶	0.85%	0.85%	0.85%	0.85%	0.85%
Net investment income ⁸	7.94% ⁶	7.54%	8.59%	6.37%	5.33%	5.49%
Expense waiver/reimbursement ⁹	0.48% ⁶	0.42%	0.56%	0.54%	0.47% ¹⁰	0.45% ¹⁰
Supplemental Data:						
Net assets, end of period (000 omitted)	\$82,290	\$83,123	\$81,443	\$67,990	\$89,528	\$95,291

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Portfolio turnover	23%	19%	79%	32%	12%	21%
Semi-Annual Shareholder Report						

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

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share¹¹
5/31/2011	\$36,575,000	\$81,247	\$50,001	\$25,000	\$25,000
11/30/2010	\$36,575,000	\$81,817	\$50,008	\$25,004	\$25,000
11/30/2009	\$36,575,000	\$80,668	\$50,006	\$25,003	\$25,000
11/30/2008	\$44,075,000	\$63,565	\$50,006	\$25,003	\$25,000
11/30/2007	\$53,675,000	\$66,699	\$50,006	\$25,003	\$25,000
11/30/2006	\$53,675,000	\$69,383	\$50,034	\$25,017	\$25,000

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

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

Financial Highlights – Federated Premier Intermediate Municipal Income Fund

(For a Common Share Outstanding Throughout Each Period)

	Six Months Ended (unaudited) 5/31/2011	Year Ended November 30,				
		2010	2009	2008	2007	2006
Net Asset Value, Beginning of Period	\$13.57	\$13.46	\$11.90	\$14.15	\$14.83	\$14.41
Income From Investment Operations:						
Net investment income	0.42 ¹	0.86 ¹	0.92 ¹	0.97 ¹	0.99 ¹	0.96 ¹
Net realized and unrealized gain (loss) on investments, swap contracts and futures contracts	0.05	0.13	1.54	(2.29)	(0.66)	0.44
Distributions to preferred shareholders from net investment income ²	(0.01)	(0.01)	(0.02)	(0.24)	(0.32)	(0.29)
TOTAL FROM INVESTMENT OPERATIONS	0.46	0.98	2.44	(1.56)	0.01	1.11
Less Distributions to Common Shareholders:						
Distributions from net investment income	(0.42)	(0.87)	(0.88)	(0.69)	(0.69)	(0.69)
Net Asset Value, End of Period	\$13.61	\$13.57	\$13.46	\$11.90	\$14.15	\$14.83
Market Price, End of Period	\$13.10	\$13.60	\$13.62	\$9.37	\$12.50	\$13.81
Total Return at Net Asset Value³	3.53%	7.40%	21.24%	(11.47)%	0.10%	7.94%
Total Return at Market Price⁴	(0.46)%	6.38%	56.22%	(20.62)%	(4.80)%	14.63%
Ratios to Average Net Assets:						
Net expenses ⁵	1.07% ⁶	1.07%	1.08%	0.98% ⁷	0.89%	0.89%
Net expenses excluding interest and trust expenses on inverse floater structures ⁵	0.89% ⁶	0.89%	0.89%	0.89%	0.89%	0.89%
Net investment income ⁸	6.18% ⁶	6.16%	7.01%	5.43%	4.63%	4.61%
Expense waiver/reimbursement ⁹	0.36% ⁶	0.33%	0.43%	0.45%	0.42% ¹⁰	0.39% ¹⁰
Supplemental Data:						
Net assets, end of period (000 omitted)	\$94,846	\$94,569	\$93,598	\$82,655	\$98,317	\$103,017

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Portfolio turnover	19%	31%	47%	20%	17%	46%
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Asset Coverage Requirements for Investment Company Act of 1940 – Preferred Shares

	Total Amount Outstanding	Asset Coverage Per Share	Minimum Required Asset Coverage Per Share	Involuntary Liquidating Preference Per Share	Average Market Value Per Share¹¹
5/31/2011	\$41,900,000	\$81,591	\$50,001	\$25,001	\$25,000
11/30/2010	\$41,900,000	\$81,426	\$50,002	\$25,001	\$25,000
11/30/2009	\$41,900,000	\$80,846	\$50,000	\$25,000	\$25,000
11/30/2008	\$50,900,000	\$65,597	\$50,004	\$25,002	\$25,000
11/30/2007	\$61,025,000	\$65,277	\$50,018	\$25,009	\$25,000
11/30/2006	\$61,025,000	\$67,203	\$50,010	\$25,005	\$25,000

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- 5 Ratios do not reflect the effect of dividend payments to preferred shareholders and any associated commission costs.
- 6 Computed on an annualized basis.
- 7 The net expense ratio is calculated without reduction for expense offset arrangements. The net expense ratio for the year ended November 30, 2008, is 0.98% after taking into account this expense reduction.
- 8 Ratios reflect reductions for dividend payments to preferred shareholders.
- 9 This expense decrease is reflected in both the net expense and net investment income ratios shown above.
- 10 Additional information relating to contractual expense waivers, which has no effect on net expenses, net investment income and net assets previously reported, has been posted to conform to the current year presentation.
- 11 Represents initial public offering price.

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

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

At May 31, 2011, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Investments ²
GO State	13.1%
GO Local	11.8%
Special Tax	11.6%
Transportation	10.1%
Hospital	9.6%
Education	7.0%
Water & Sewer	6.8%
Pre-refunded	6.3%
Senior Care	5.2%
Public Power	4.5%
Other ³	14.0%
TOTAL	100.0%

- 1 Sector classifications, and the assignment of holdings to such sectors, are based upon the economic sector and/or revenue source of the underlying borrower, as determined by the Fund's Adviser. For securities that have been enhanced by a third-party (other than a bond insurer), such as a guarantor, sector classifications are based upon the economic sector and/or revenue source of the third party, as determined by the Fund's Adviser. Securities that are insured by a bond insurer are assigned according to the economic sector and/or revenue source of the underlying obligor. Pre-refunded securities are those whose debt service is paid from escrowed funds, usually U.S. government securities.
- 2 Percentages reflect the fully consolidated asset of any inverse floater trust as presented in the Portfolio of Investments.
- 3 For purposes of this table, sector classifications constitute 86.0% of the Fund's investments. Remaining sectors have been aggregated under the designation "Other."

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Portfolio of Investments

May 31, 2011 (unaudited)

Principal Amount		Value
	MUNICIPAL BONDS 98.5%	
	Alabama 0.6%	
\$350,000	Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	333,561
415,000	Selma, AL IDB, Gulf Opportunity Zone Bonds (Series 2010A), 5.80% (International Paper Co.), 5/1/2034	414,975
	TOTAL	748,536
	Arizona 2.7%	
940,000	Maricopa County, AZ, IDA, Health Facility Revenue Bonds (Series 2004A), 5.375% (Catholic Healthcare West), 7/1/2023	958,650
2,000,000	Pima County, AZ IDA, Revenue Bonds (Series 2008B), 5.75% (Tucson Electric Power Co.), 9/1/2029	2,009,940
750,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.50%, 7/15/2027	680,430
	TOTAL	3,649,020
	California 9.1%	
2,000,000	Bay Area Toll Authority, CA, San Francisco Bay Area Toll Bridge Revenue Bonds (Series 2009F-1), 5.00%, 4/1/2028	2,080,020
1,710,000	California State Department of Water Resources Power Supply Program, Revenue Bonds (Series 2008H), 5.00% (Assured Guaranty Municipal Corp. INS), 5/1/2022	1,909,027
1,280,000	California State, Refunding Economic Recovery Bonds (Series 2009A), 5.00% (California State Fiscal Recovery Fund), 7/1/2018	1,491,494
750,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Revenue Bonds (Series 2003A-2), 7.90% (United States Agency PRF 6/1/2013@100), 6/1/2042	856,155
1,500,000	M-S-R Energy Authority, CA, Gas Revenue Bonds (Series 2009A), 7.00% (Citigroup, Inc. GTD), 11/1/2034	1,687,275
2,000,000	Regents of University of California, General Revenue Bonds (Series 2009Q), 5.25%, 5/15/2029	2,143,780
2,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Bonds (Series 2009E), 5.50%, 5/1/2025	2,153,960
	TOTAL	12,321,711
	Colorado 4.7%	
719,000		854,524

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Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00% (United States Treasury PRF 12/1/2013@101), 12/1/2023

500,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 7.00% (Denver Academy)/(Original Issue Yield: 7.25%), 11/1/2023	505,915
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230,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COPs (Series 2008), 5.50% (Original Issue Yield: 5.60%), 11/1/2027	244,359
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Principal Amount		Value
\$90,000	Colorado State Higher Education Capital Construction Lease Purchase Financing Program, COPs (Series 2008), 5.50% (United States Treasury & Agency PRF 11/1/2018@100)/(Original Issue Yield: 5.60%), 11/1/2027	110,138
250,000	Conservatory Metropolitan District, CO, LT GO Bonds, 6.75% (United States Treasury PRF 12/1/2013@102), 12/1/2034	287,503
500,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.55% (United States Treasury PRF 12/1/2013@102), 12/1/2032	593,840
665,000	Conservatory Metropolitan District, CO, Refunding & Improvement LT GO Bonds, 5.125% (Radian Asset Assurance, Inc. INS), 12/1/2037	474,371
1,000,000	Denver, CO Health & Hospital Authority, Revenue Bonds, 6.25% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 6.28%), 12/1/2033	1,187,470
1,480,000	Public Authority for Colorado Energy, Natural Gas Purchase Revenue Bonds (Series 2008), 6.25% (Merrill Lynch & Co., Inc. GTD)/(Original Issue Yield: 6.63%), 11/15/2028	1,560,793
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 7.05%), 12/1/2024	605,105
	TOTAL	6,424,018
	Delaware 0.5%	
715,000	Delaware EDA, Gas Facilities Refunding Bonds, 5.40% (Delmarva Power and Light Co.), 2/1/2031	725,789
	District of Columbia 1.8%	
2,500,000	District of Columbia Tobacco Settlement Financing Corp., Asset-Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.67%), 5/15/2033	2,456,900
	Florida 4.3%	
540,000	Broward County, FL Airport System, Airport System Revenue Refunding Bonds (Series 2009O), 5.375% (Original Issue Yield: 5.48%), 10/1/2029	556,594
1,190,000	Harbor Bay, FL Community Development District, Special Assessment Revenue Bonds, 6.75%, 5/1/2034	994,745
400,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.25%, 5/1/2034	338,352
1,000,000	South Lake County, FL Hospital District, Revenue Bonds (Series 2009A), 6.00% (South Lake Hospital, Inc.)/(Original Issue Yield: 6.05%), 4/1/2029	997,730
1,000,000	South Lake County, FL Hospital District, Revenue Bonds, 6.625% (South Lake Hospital, Inc.), 10/1/2023	1,026,710
1,000,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2007), 6.65% (Original Issue Yield: 6.70%), 5/1/2040	601,110

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Principal Amount		Value
\$945,000	Verandah West, FL Community Development District, Capital Improvement Revenue Bonds (Series 2003A), 6.625% (Original Issue Yield: 6.75%), 5/1/2033	885,465
470,000	Winter Garden Village at Fowler Groves Community Development District, FL, Special Assessment Bonds (Series 2006), 5.65%, 5/1/2037	417,012
	TOTAL	5,817,718
	Georgia 3.9%	
1,000,000	Atlanta, GA Airport General Revenue, Airport General Revenue Refunding Bonds (Series 2010C), 6.00%, 1/1/2030	1,111,570
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00% (Original Issue Yield: 6.14%), 11/1/2024	1,679,775
1,000,000	Atlanta, GA, Tax Allocation Bonds (Series 2005B), 5.60% (Eastside Tax Allocation District)/(Original Issue Yield: 5.65%), 1/1/2030	951,200
1,500,000	DeKalb Private Hospital Authority, GA, Revenue Anticipation Certificates (Series 2009), 5.00% (Children's Healthcare of Atlanta, Inc.), 11/15/2024	1,574,835
	TOTAL	5,317,380
	Guam 0.3%	
375,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.625% (Original Issue Yield: 5.875%), 12/1/2029	373,507
	Hawaii 1.6%	
750,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series 2009), 6.50% (Hawaiian Electric Co., Inc.), 7/1/2039	752,325
1,400,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 8.00% (Kahala Nui)/(Original Issue Yield: 8.175%), 11/15/2033	1,465,954
	TOTAL	2,218,279
	Illinois 4.4%	
964,000	Antioch Village, IL Special Service Area No. 1, Special Tax Revenue Bonds, 6.625% (Deercrest Project), 3/1/2033	739,484
625,000	Chicago, IL O'Hare International Airport, General Airport Third lien Revenue Bonds (Series 2011C), 6.50%, 1/1/2041	686,669
1,000,000	Chicago, IL Special Assessment, Improvement Revenue Bonds, 6.75% (Lakeshore East Project)/(Original Issue Yield: 6.769%), 12/1/2032	972,210
420,000	DuPage County, IL, Special Tax Bonds (Series 2006), 5.625% (Naperville Campus LLC), 3/1/2036	320,082
500,000	Illinois Educational Facilities Authority, Revenue Refunding Bonds (Series A), 5.70% (Augustana College)/(Original Issue Yield: 5.90%), 10/1/2032	482,620

625,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place)/(Original Issue Yield: 6.04%), 5/15/2037	502,281
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Principal Amount		Value
\$1,250,000	Illinois State Toll Highway Authority, Toll Highway Senior Refunding Revenue Bonds (Series 2010 A-1), 5.00%, 1/1/2031	1,253,413
1,000,000	Metropolitan Pier & Exposition Authority, IL, McCormick Place Expansion Project Bonds (Series 2010A), 5.50%, 6/15/2050	971,840
	TOTAL	5,928,599
	Indiana 2.3%	
1,930,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.25% (Baptist Homes of Indiana), 11/15/2035	1,757,014
1,200,000	Whiting, IN Environmental Facilities, Revenue Bonds (Series 2009), 5.25% (BP PLC), 1/1/2021	1,294,296
	TOTAL	3,051,310
	Kansas 0.9%	
1,000,000	Kansas State Development Finance Authority, Revenue Bonds (Series 2010SRF-1), 5.00% (Kansas Revolving Funds), 3/1/2021	1,165,000
	Kentucky 0.2%	
325,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.625% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.97%), 10/1/2028	326,024
	Maryland 1.0%	
550,000	Baltimore, MD, Special Obligation Revenue Bonds (Series 2008A), 7.00% (East Baltimore Research Park), 9/1/2038	539,435
175,000	Maryland State Economic Development Corp., Port Facilities Refunding Revenue Bonds (Series 2010), 5.75% (CONSOL Energy, Inc.), 9/1/2025	170,210
690,000	Maryland State Economic Development Corp., Revenue Bonds (Series B), 5.75% (Ports America Chesapeake, Inc.)/(Original Issue Yield: 5.875%), 6/1/2035	668,120
	TOTAL	1,377,765
	Massachusetts 0.9%	
1,000,000	Massachusetts Development Finance Agency, Revenue Bonds (Series 2010B-2), 5.00% (Harvard University), 10/15/2020	1,207,700
	Michigan 0.5%	
625,000	Michigan Finance Authority, State Aid Revenue Notes (Series 2011A-2), 6.65% (Detroit, MI City School District), 3/20/2012	632,662
	Minnesota 0.9%	
1,000,000	University of Minnesota, GO Bonds (Series 2011A), 5.00%, 12/1/2019	1,193,410
	Missouri 0.4%	

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500,000	Missouri Development Finance Board, Infrastructure Facilities Revenue Bonds (Series 2003A), 5.50% (Branson, MO)/(Original Issue Yield: 5.56%), 12/1/2032	501,495
	New Jersey 0.8%	
500,000	New Jersey EDA, Revenue Bonds, Series 2004, 5.75% (NJ Dedicated Cigarette Excise Tax)/(Original Issue Yield: 5.89%), 6/15/2029	467,020

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Principal Amount		Value
\$211,412	¹ New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.50% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.72%), 7/1/2023	2
600,000	New Jersey State Transportation Trust Fund Authority, Transportation System Bonds (Series 2011A), 6.00% (New Jersey State), 6/15/2035	655,812
	TOTAL	1,122,834
	New Mexico 0.6%	
750,000	^{2,3} Jicarilla, NM Apache Nation, Revenue Bonds, 5.50%, 9/1/2023	780,735
	New York 9.3%	
1,030,000	Chautauqua County, NY IDA, Exempt Facility Revenue Bonds (Series 2009), 5.875% (NRG Energy, Inc.), 4/1/2042	975,081
1,000,000	Erie County, NY IDA, School Facility Refunding Revenue Bonds (Series 2011B), 5.00% (Buffalo, NY City School District), 5/1/2020	1,120,280
800,000	² New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	801,944
1,000,000	New York City, NY Municipal Water Finance Authority, Revenue Bonds, 5.50% (Original Issue Yield: 5.57%), 6/15/2026	1,113,580
2,000,000	New York City, NY Municipal Water Finance Authority, Water & Sewer System Second General Resolution Revenue Bonds (Series Fiscal 2009EE), 5.25% (Original Issue Yield: 5.50%), 6/15/2040	2,089,240
1,500,000	New York City, NY TFA, Future Tax Secured Bonds (Series Fiscal 2011D), 5.00%, 2/1/2019	1,760,670
1,430,000	New York City, NY, UT GO Bonds (Series 2009E), 5.00%, 8/1/2026	1,534,690
1,000,000	New York State, UT GO Bonds (Series 2011A), 5.00%, 2/15/2020	1,175,550
2,000,000	Triborough Bridge & Tunnel Authority, NY, General Revenue Bonds (Series 2009A-2), 5.25% (Original Issue Yield: 5.44%), 11/15/2034	2,090,200
	TOTAL	12,661,235
	North Carolina 1.4%	
1,000,000	North Carolina Eastern Municipal Power Agency, Power System Refunding Revenue Bonds (Series 2003C), 5.375% (Original Issue Yield: 5.57%), 1/1/2017	1,049,600
800,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.80% (Arc of North Carolina Projects), 10/1/2034	782,920
	TOTAL	1,832,520
	Ohio 2.8%	
1,090,000	Ohio State Air Quality Development Authority, Revenue Bonds (Series 2009A), 5.70% (FirstEnergy Solutions Corp.), 8/1/2020	1,148,751

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500,000	Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2026	535,130
500,000	Ohio State University, General Receipts Bonds (Series 2008A), 5.00%, 12/1/2027	531,790

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Principal Amount		Value
\$1,280,000	Ohio Water Development Authority, Water Pollution Control Loan Fund Refunding Revenue Bonds (Series 2010C), 5.00%, 6/1/2020	1,526,464
	TOTAL	3,742,135
	Oregon 0.3%	
500,000	² Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	394,855
	Pennsylvania 4.8%	
1,000,000	Allegheny County, PA IDA, Environmental Improvement Revenue Refunding Bonds (Series 2009), 6.50% (United States Steel Corp.), 5/1/2017	1,045,150
1,295,000	Cumberland County, PA Municipal Authority, Retirement Community Revenue Bonds (Series 2002A), 7.25% (Wesley Affiliated Services, Inc. Obligated Group)/(United States Treasury PRF 1/1/2013@101)/(Original Issue Yield: 7.50%), 1/1/2035	1,443,329
1,500,000	Northampton County, PA General Purpose Authority, Hospital Revenue Bonds (Series 2008A), 5.50% (St. Lukes Hospital of Bethlehem)/(Original Issue Yield: 5.60%), 8/15/2035	1,355,250
1,000,000	Pennsylvania State Turnpike Commission, Turnpike Subordinate Revenue Bonds (Series 2009D), 5.50%, 12/1/2041	1,007,420
1,630,000	Philadelphia, PA Water & Wastewater System, Water and Wastewater Revenue Bonds (Series 2009A), 5.00% (Original Issue Yield: 5.13%), 1/1/2027	1,656,667
	TOTAL	6,507,816
	Puerto Rico 1.5%	
2,000,000	Puerto Rico Sales Tax Financing Corp., Sales Tax Revenue Bonds (First Subordinate Series 2009A), 6.00% (Original Issue Yield: 6.25%), 8/1/2042	2,049,040
	South Carolina 0.8%	
1,170,000	South Carolina Jobs-EDA, Health System Revenue Bonds (Series A), 5.625% (Bon Secours Health System)/(Original Issue Yield: 5.84%), 11/15/2030	1,147,606
	South Dakota 2.0%	
1,000,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.50%, 6/1/2032	986,490
1,750,000	South Dakota State Health & Educational Authority, Revenue Bonds, 5.65% (Westhills Village Retirement Community)/(Original Issue Yield: 5.75%), 9/1/2023	1,778,507
	TOTAL	2,764,997
	Tennessee 2.0%	
2,580,000	Tennessee State School Board Authority, Higher Educational Facilities Second Program Bonds (Series 2008B), 5.50%, 5/1/2038	2,765,038

Semi-Annual Shareholder Report

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Principal Amount		Value
	Texas 13.8%	
\$700,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 7.125% (Wise Regional Health System), 9/1/2034	669,949
2,000,000	Harris County, TX Cultural Education Facilities Finance Corp., Revenue Refunding Bonds (Series 2009), 5.625% (St. Luke's Episcopal Hospital), 2/15/2025	2,135,600
385,000	HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2027	305,856
585,000	HFDC of Central Texas, Inc., Retirement Facility Revenue Bonds (Series 2006A), 5.50% (Village at Gleannloch Farms, Inc.), 2/15/2037	417,187
2,000,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.00%, 7/1/2022	2,161,300
200,000	Houston, TX Higher Education Finance Corp., Education Revenue Bonds (Series 2011A), 6.875% (Cosmos Foundation, Inc.), 5/15/2041	203,914
430,000	North Texas Tollway Authority, Special Projects System Revenue Bonds (Series 2011), 5.50% (North Texas Toll Authority Special Projects System)/(Original Issue Yield: 5.70%), 9/1/2041	453,039
10,000,000	⁴ Spring Branch, TX ISD, LT GO Bonds, PSFG, 5.25%, 2/1/2034	10,513,700
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, Series 2006A, 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2036	457,500
1,390,000	Texas State Department of Housing & Community Affairs, Residential Mortgage Revenue Bonds (Series 2009A), 5.30%, 7/1/2034	1,410,294
	TOTAL	18,728,339
	Virginia 3.0%	
748,000	Broad Street CDA, VA, Revenue Bonds, 7.50% (United States Treasury PRF 6/1/2013@102)/(Original Issue Yield: 7.625%), 6/1/2033	857,126
500,000	Fairfax County, VA IDA, Health Care Revenue Bonds (Series 2009C), 5.00% (Inova Health System), 5/15/2025	527,845
1,400,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.625%), 12/1/2032	1,609,398
1,000,000	Virginia Peninsula Port Authority, Coal Terminal Revenue Refunding Bonds (Series 2003), 6.00% (Brinks Co. (The)), 4/1/2033	1,009,990
	TOTAL	4,004,359
	Washington 11.4%	
2,000,000	Tobacco Settlement Authority, WA, Tobacco Settlement Asset Backed Revenue	2,000,180

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Bonds, 6.625% (Original Issue Yield: 6.875%), 6/1/2032

12,790,000	⁴ Washington State, UT GO Bonds, (Series 2008A), 5.00%, 7/1/2030	13,505,453
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TOTAL

15,505,633

Semi-Annual Shareholder Report

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Principal Amount		Value
	Wisconsin 3.0%	
\$2,000,000	Wisconsin State General Fund Appropriation, Revenue Bonds (Series 2009A), 6.00% (Wisconsin State)/(Original Issue Yield: 6.10%), 5/1/2036	2,185,340
500,000	Wisconsin State HEFA, Revenue Bonds, 6.50% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.75%), 7/1/2023	494,210
500,000	Wisconsin State HEFA, Revenue Bonds, 6.625% (Tomah Memorial Hospital, Inc.)/(Original Issue Yield: 6.875%), 7/1/2028	484,100
1,000,000	Wisconsin State HEFA, Revenue Bonds, 7.25% (Community Memorial Hospital)/(Original Issue Yield: 7.45%), 1/15/2033	955,870
	TOTAL	4,119,520
	TOTAL MUNICIPAL BONDS (IDENTIFIED COST \$131,051,479)	133,563,485
	SHORT-TERM MUNICIPALS 1.5%	
	Florida 0.1%	
100,000	Pinellas County, FL Health Facility Authority, (Series 2006A) Daily VRDNs (Bayfront Hospital)/(SunTrust Bank LOC), 0.340%, 6/1/2011	100,000
	New York 0.1%	
150,000	New York City, NY TFA, New York City Recovery Bonds (2003 Subseries 2-A) Daily VRDNs (Dexia Credit Local LIQ), 0.450%, 6/1/2011	150,000
	Ohio 0.6%	
300,000	Franklin County, OH Hospital Facility Authority, (Series 2008E) Weekly VRDNs (Nationwide Children's Hospital)/(JPMorgan Chase Bank, N.A. LIQ), 0.180%, 6/2/2011	300,000
450,000	Geauga County, OH, Revenue Bonds (Series 2007A) Daily VRDNs (South Franklin Circle)/(Key Bank, N.A. LOC), 0.290%, 6/1/2011	450,000
	TOTAL	750,000
	Pennsylvania 0.7%	
1,000,000	Luzerne County, PA, (Series A of 2006) Weekly VRDNs (Assured Guaranty Municipal Corp. INS)/(JPMorgan Chase Bank, N.A. LIQ), 0.300%, 6/2/2011	1,000,000
	TOTAL SHORT-TERM MUNICIPALS (AT AMORTIZED COST)	2,000,000
	TOTAL MUNICIPAL INVESTMENTS — 100.0% (IDENTIFIED COST \$133,051,479) ⁶	135,563,485
	OTHER ASSETS AND LIABILITIES - NET ⁷	(16,698,794)
	LIQUIDATION VALUE OF AUCTION PREFERRED SHARES	(36,575,000)

TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS

\$82,289,691

Semi-Annual Shareholder Report

At May 31, 2011, the Fund held no securities subject to the federal alternative minimum tax (AMT).

- 1 Obligor filed for bankruptcy. On September 30, 2008, a Notice of Initial Distribution was received and a portion of the bond was redeemed at par. Subsequent distributions have occurred on various dates to redeem portions of the remaining bonds at discount to par. The market value of the holding is adjusted to reflect the expected value of future distributions.
- 2 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At May 31, 2011, these restricted securities amounted to \$1,977,534, which represented 1.5% of total market value.
- 3 Denotes a restricted security that may be resold without restriction to “qualified institutional buyers” as defined in Rule 144A under the Securities Act of 1933 and that the Fund has determined to be liquid under criteria established by the Fund's Board of Trustees (the “Trustees”). At May 31, 2011, these liquid restricted securities amounted to \$780,735, which represented 0.6% of total market value.
- 4 Underlying security in inverse floater structure.
- 5 Current rate and next reset date shown for Variable Rate Demand Notes.
- 6 The cost of investments for federal tax purposes amounts to \$115,834,043.
- 7 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at May 31, 2011.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — prices in active markets for identical securities, including investment companies with daily net asset values, if applicable.

Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of May 31, 2011, all investments of the Fund utilized Level 2 inputs in valuing the Fund's assets carried at fair value.

Semi-Annual Shareholder Report

The following acronyms are used throughout this portfolio:

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

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

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

At May 31, 2011, the Fund's sector composition¹ was as follows:

Sector Composition	Percentage of Total Investments²
GO State	21.6%
Special Tax	12.7%
Hospital	9.4%
Education	7.7%
Pre-refunded	6.8%
Public Power	6.7%
Transportation	6.4%
Electric & Gas	6.1%
Industry Development Bond/Pollution Control Revenue	4.1%
Senior Care	3.9%
Other ³	14.6%
TOTAL	100.0%

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

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

3 For purposes of this table, sector classifications constitute 85.4% of the Fund's total investments. Remaining sectors have been aggregated under the designation "Other."

Semi-Annual Shareholder Report

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Portfolio of Investments

May 31, 2011 (unaudited)

Principal Amount		Value
	MUNICIPAL BONDS 98.3%	
	Alabama 0.2%	
\$350,000	Courtland, AL IDB, PCR Refunding Bonds (Series 2005A), 5.00% (International Paper Co.), 6/1/2025	333,561
	Arizona 3.8%	
1,500,000	Arizona Transportation Board, Subordinated Highway Revenue Bonds (Series 2004B), 5.00%, 7/1/2020	1,655,970
1,000,000	Maricopa County, AZ, IDA, Health Facility Revenue Bonds (Series 2004A), 5.375% (Catholic Healthcare West), 7/1/2023	1,019,840
1,690,000	Pima County, AZ IDA, PCRBs (Series 2009A), 4.95% (Tucson Electric Power Co.), 10/1/2020	1,684,896
1,500,000	Verrado Community Facilities District No. 1, AZ, Revenue Bonds, 6.15%, 7/15/2017	1,507,260
	TOTAL	5,867,966
	Arkansas 0.8%	
1,000,000	Independence County, AR, PCR Refunding Bonds (Series 2005), 5.00% (Entergy Arkansas, Inc.), 1/1/2021	1,000,670
300,000	Jefferson County, AR, PCR Refunding Bonds (Series 2006), 4.60% (Entergy Arkansas, Inc.), 10/1/2017	300,399
	TOTAL	1,301,069
	California 8.6%	
1,115,000	Bay Area Toll Authority, CA, San Francisco Bay Area Subordinate Toll Bridge Revenue Bonds (Series 2010 S-2), 5.00%, 10/1/2024	1,170,661
570,000	California Health Facilities Financing Authority, Health Facility Revenue Bonds (Series 2004I), 4.95% TOBs (Catholic Healthcare West), Mandatory Tender 7/1/2014	618,604
1,000,000	California State Department of Water Resources Power Supply Program, Power Supply Revenue Bonds (Series 2010L), 5.00%, 5/1/2021	1,155,180
1,000,000	California State Department of Water Resources Power Supply Program, Revenue Bonds (Series 2010M), 5.00%, 5/1/2016	1,168,070
1,705,000	California State, Refunding Economic Recovery Bonds (Series 2009A), 5.00% (California State Fiscal Recovery Fund), 7/1/2018	1,986,717
1,935,000	California Statewide CDA, Revenue Bonds (Series 2007), 5.00% (Inland Regional Center), 12/1/2017	1,968,282

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1,265,000	Golden State Tobacco Securitization Corp., CA, Tobacco Settlement Asset-Backed Revenue Bonds (Series 2003A-1), 6.25% (United States Agency PRF 6/1/2013@100)/(Original Issue Yield: 6.55%), 6/1/2033	1,370,513
1,000,000	M-S-R Energy Authority, CA, Gas Revenue Bonds (Series 2009A), 6.125% (Citigroup, Inc. GTD), 11/1/2029	1,041,040

Semi-Annual Shareholder Report

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Principal Amount		Value
\$1,500,000	San Diego, CA Public Facilities Authority, Senior Sewer Revenue Refunding Bonds (Series 2009B), 5.00% (San Diego, CA Wastewater System), 5/15/2016	1,727,730
1,000,000	San Francisco, CA City & County Airport Commission, Second Series Revenue Refunding Private Activity Bonds (Series 2010C), 5.00%, 5/1/2021	1,102,490
	TOTAL	13,309,287
	Colorado 4.0%	
718,000	Antelope Heights Metropolitan District, CO, LT GO Bonds, 8.00% (United States Treasury PRF 12/1/2013@101), 12/1/2023	853,336
205,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 6.25% (Denver Academy)/(Original Issue Yield: 6.50%), 11/1/2013	208,967
500,000	Colorado Educational & Cultural Facilities Authority, Revenue Refunding Bonds (Series A), 7.00% (Denver Academy)/(Original Issue Yield: 7.25%), 11/1/2023	505,915
1,265,000	Colorado Health Facilities Authority, Revenue Bonds (Series 2005), 5.00% (Covenant Retirement Communities, Inc.), 12/1/2013	1,307,934
865,000	Conservatory Metropolitan District, CO, LT GO Bonds, 7.40% (United States Treasury PRF 12/1/2013@102), 12/1/2016	996,047
600,000	Denver (City & County), CO, Airport System Revenue Bonds (Series 2009A), 5.00% (Denver, CO City & County Airport Authority), 11/15/2016	683,898
1,000,000	Public Authority for Colorado Energy, Natural Gas Purchase Revenue Bonds (Series 2008), 6.25% (Merrill Lynch & Co., Inc. GTD)/(Original Issue Yield: 6.63%), 11/15/2028	1,054,590
500,000	Southlands, CO Metropolitan District No. 1, LT GO Bonds (Series 2004), 7.00% (United States Treasury PRF 12/1/2014@100)/(Original Issue Yield: 7.05%), 12/1/2024	605,105
	TOTAL	6,215,792
	District of Columbia 0.7%	
1,000,000	District of Columbia, Ballpark Revenue Bonds (Series 2006B-1), 5.25% (FGIC and National Public Finance Guarantee Corporation INS), 2/1/2016	1,100,740
	Florida 3.9%	
600,000	¹ Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012@102), 10/1/2033	679,044
1,000,000	Citizens Property Insurance Corp. FL, Senior Secured Bonds (Series 2009A-1), 5.00% (Assured Guaranty Corp. INS), 6/1/2014	1,067,370
55,000	Fishhawk Community Development District II, Special Assessment Revenue Bonds (Series 2004B), 7.04% (Original Issue Yield: 7.087%), 11/1/2014	53,604

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335,000	Orlando, FL Urban Community Development District, Capital Improvement Revenue Bonds, 6.00%, 5/1/2020	305,771
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Semi-Annual Shareholder Report

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Principal Amount		Value
\$500,000	Orlando, FL, Senior Tourist Development Tax Revenue Bonds (Series 2008A), 5.25% (6th Cent Contract Payments)/(Assured Guaranty Corp. INS), 11/1/2020	517,610
1,325,000	Tolomato Community Development District, FL, Special Assessment Revenue Bonds (Series 2007), 6.375%, 5/1/2017	930,044
2,390,000	University of Central Florida Athletics Association, Inc., FL, COPs (Series 2004A), 5.125% (FGIC and National Public Finance Guarantee Corporation INS), 10/1/2022	2,412,251
	TOTAL	5,965,694
	Georgia 4.2%	
1,000,000	Atlanta, GA Airport Passenger Facilities Charge Revenue, Subordinate Lien General Revenue Bonds (Series 2010B), 5.00%, 1/1/2020	1,084,110
1,500,000	Atlanta, GA Water & Wastewater, Revenue Bonds (Series 2009A), 6.00%, 11/1/2019	1,774,650
1,250,000	Atlanta, GA, Tax Allocation Bonds (Series 2005B), 5.40% (Eastside Tax Allocation District)/(Original Issue Yield: 5.50%), 1/1/2020	1,267,750
500,000	DeKalb Private Hospital Authority, GA, Revenue Anticipation Certificates (Series 2009), 5.00% (Children's Healthcare of Atlanta, Inc.), 11/15/2016	568,290
750,000	Fulton County, GA Residential Care Facilities, Revenue Bonds (Series 2004A), 6.00% (Canterbury Court), 2/15/2022	696,727
1,115,000	Municipal Electric Authority of Georgia, Revenue Bonds (Series 2002A), 5.25% (National Public Finance Guarantee Corporation INS), 11/1/2015	1,175,478
	TOTAL	6,567,005
	Guam 0.9%	
1,250,000	Guam Government LO (Section 30), Bonds (Series 2009A), 5.00%, 12/1/2015	1,339,650
	Hawaii 0.7%	
1,050,000	Hawaii State Department of Budget & Finance, Special Purpose Revenue Bonds (Series A), 7.00% (Kahala Nui)/(Original Issue Yield: 7.00%), 11/15/2012	1,075,242
	Illinois 4.9%	
1,325,000	Chicago, IL Sales Tax, Refunding Revenue Bonds, 5.00% (Assured Guaranty Municipal Corp. INS), 1/1/2019	1,420,307
1,000,000	Chicago, IL Special Assessment, Improvement Bonds (Series 2002), 6.625% (Lakeshore East Project)/(Original Issue Yield: 6.637%), 12/1/2022	1,000,000
875,000	Illinois Finance Authority, Revenue Bonds (Series 2005A), 6.00% (Landing at Plymouth Place), 5/15/2025	775,732
1,000,000	Illinois Finance Authority, Revenue Refunding Bonds (Series 2005A), 5.00% (Depaul University), 10/1/2014	1,095,910
2,000,000		2,279,220

Illinois State Sales Tax, Sales Tax Revenue Bonds (Junior Obligation Series June 2010), 5.00%, 6/15/2016

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Principal Amount		Value
\$1,000,000	Railsplitter Tobacco Settlement Authority, IL, Tobacco Settlement Revenue Bonds (Series 2010), 5.00%, 6/1/2015	1,061,290
	TOTAL	7,632,459
	Indiana 2.3%	
1,050,000	Indiana Health & Educational Facility Financing Authority, Revenue Bonds (Series 2005), 5.00% (Baptist Homes of Indiana), 11/15/2014	1,116,581
955,000	Indiana State Finance Authority, Environmental Facilities Refunding Revenue Bonds (Series 2009B), 4.90% (Indianapolis, IN Power & Light Co.), 1/1/2016	1,044,980
1,300,000	Whiting, IN Environmental Facilities, Revenue Bonds (Series 2009), 5.25% (BP PLC), 1/1/2021	1,402,154
	TOTAL	3,563,715
	Kentucky 0.9%	
1,335,000	Kentucky EDFA, Revenue Bonds (Series 2000A), 6.25% (Norton Healthcare, Inc.)/(Original Issue Yield: 6.45%), 10/1/2012	1,352,769
	Louisiana 1.0%	
981,000	Lakeshore Villages Master Community Development District, LA, Special Assessment Bonds (Series 2007), 5.25% (Original Issue Yield: 5.378%), 7/1/2017	490,500
1,000,000	Louisiana Local Government Environmental Facilities Community Development Authority, Revenue Bonds, 5.375% (BRCC Facilities Corp.)/(National Public Finance Guarantee Corporation INS), 12/1/2014	1,038,560
	TOTAL	1,529,060
	Maryland 10.7%	
175,000	Maryland State Economic Development Corp., Port Facilities Refunding Revenue Bonds (Series 2010), 5.75% (CONSOL Energy, Inc.), 9/1/2025	170,210
1,000,000	Maryland State Economic Development Corp., Revenue Bonds (Series A), 5.125% (Ports America Chesapeake, Inc.)/(Original Issue Yield: 5.25%), 6/1/2020	973,730
13,500,000	² Maryland State, UT GO Bonds (Second Series 2008), 5.00%, 7/15/2022	15,389,325
	TOTAL	16,533,265
	Massachusetts 3.9%	
1,000,000	Massachusetts Bay Transportation Authority Sales Tax Revenue, Revenue Bonds (Series 2006B), 5.25%, 7/1/2018	1,206,740
2,000,000	Massachusetts Department of Transportation, Metropolitan Highway System Revenue Bonds (Series 2010B), 5.00%, 1/1/2024	2,147,040
1,300,000	Massachusetts Development Finance Agency, Revenue Bonds (Series 2010B-2), 5.00% (Harvard University), 10/15/2020	1,570,010

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1,030,000	Massachusetts HEFA, Revenue Bonds (Series 2010A), 5.00% (Northeastern University), 10/1/2023	1,117,869
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	TOTAL	6,041,659
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Semi-Annual Shareholder Report

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Principal Amount		Value
	Michigan 2.9%	
\$2,000,000	Cornell Township MI, Economic Development Corp., Refunding Revenue Bonds, 5.875% (MeadWestvaco Corp.)/(United States Treasury PRF 5/1/2012@100), 5/1/2018	2,102,260
710,000	Michigan Finance Authority, State Aid Revenue Notes (Series 2011A-2), 6.65% (Detroit, MI City School District), 3/20/2012	718,705
1,500,000	Michigan State Building Authority, Revenue Refunding Bonds (Series 2009I), 5.00% (Michigan State), 10/15/2016	1,671,570
	TOTAL	4,492,535
	Minnesota 0.6%	
750,000	University of Minnesota, GO Bonds (Series 2011A), 5.00%, 12/1/2018	895,950
	Nevada 2.5%	
2,000,000	Clark County, NV, IDR (Series 2003C), 5.44999% TOBs (Southwest Gas Corp.), Mandatory Tender 3/1/2013	2,115,420
965,000	Las Vegas, NV, Local Improvement Special Assessment Bonds (Series 2004), 5.50% (Providence SID No. 607), 6/1/2013	970,433
785,000	North Las Vegas, NV SID No. 60, Subordinate LT Obligation Refunding Bonds (Series 2006B), 5.00% (Aliante SID No. 60)/(Original Issue Yield: 5.05%), 12/1/2017	763,373
	TOTAL	3,849,226
	New Jersey 0.0%	
251,750	³ New Jersey Health Care Facilities Financing Authority, Revenue Bonds, 6.00% (Pascack Valley Hospital Association)/(Original Issue Yield: 6.25%), 7/1/2013	3
	New Mexico 1.3%	
1,000,000	Farmington, NM, PCR Revenue Refunding Bonds (Series A), 5.20% TOBs (Public Service Co., NM), Mandatory Tender 6/1/2020	1,005,860
1,000,000	Farmington, NM, Refunding Revenue Bonds (Series 2002A), 4.00% TOBs (El Paso Electric Co.)/(FGIC INS), Mandatory Tender 8/1/2012	1,002,960
	TOTAL	2,008,820
	New York 7.8%	
2,000,000	Dutchess County, NY IDA, Revenue Bonds, 5.00% (Marist College)/(Original Issue Yield: 5.15%), 7/1/2020	2,055,580
1,000,000	Erie County, NY IDA, School Facility Revenue Bonds (Series 2011A), 5.25% (Buffalo, NY City School District), 5/1/2027	1,062,720
800,000	¹ New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.25% (7 World Trade Center LLC), 3/1/2015	803,216

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1,500,000	New York City, NY TFA, Future Tax Secured Bonds (Series Fiscal 2011D), 5.00%, 2/1/2019	1,760,670
1,340,000	New York City, NY, UT GO Bonds (Series 2002D), 5.00% (Original Issue Yield: 5.21%), 6/1/2017	1,389,781
660,000	New York City, NY, UT GO Bonds (Series 2002D), 5.00% (United States Treasury PRF 6/1/2012@100)/(Original Issue Yield: 5.21%), 6/1/2017	691,264

Semi-Annual Shareholder Report

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Principal Amount		Value
\$2,000,000	New York State Dormitory Authority, Revenue Bonds (Series 2009C), 5.00% (School District Financing Program)/(Assured Guaranty Corp. INS), 10/1/2015	2,247,200
2,000,000	Tobacco Settlement Financing Corp., NY, (Series 2003B-1C), 5.50% (New York State), 6/1/2019	2,132,820
	TOTAL	12,143,251
	North Carolina 2.4%	
1,000,000	North Carolina Eastern Municipal Power Agency, Power System Revenue Refunding Bonds (Series D), 5.50%, 1/1/2014	1,101,240
965,000	North Carolina Medical Care Commission, Health Care Housing Revenue Bonds (Series 2004A), 5.50% (Arc of North Carolina Projects), 10/1/2024	972,681
1,500,000	North Carolina Municipal Power Agency No. 1, Electric Revenue Bonds (Series 2003A), 5.50%, 1/1/2014	1,604,775
	TOTAL	3,678,696
	Ohio 2.8%	
1,000,000	Cuyahoga, OH CCD, General Receipts Revenue Bonds (Series 2002A), 5.00% (AMBAC INS), 12/1/2022	1,046,340
2,135,000	Franklin County, OH Hospital Facility Authority, Hospital Improvement Revenue Bonds (Series 2009), 5.00% (Nationwide Children's Hospital), 11/1/2019	2,379,842
925,000	Ohio State Air Quality Development Authority, Environmental Improvement Refunding Revenue Bonds (Series 1995), 5.00% TOBs (Marathon Oil Corp.) Mandatory tender 11/1/2011	947,773
	TOTAL	4,373,955
	Oregon 1.0%	
500,000	¹ Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	394,855
1,000,000	Yamhill County, OR Hospital Authority, Revenue Bonds, 6.50% (Friendsview Retirement Community)/(United States Treasury PRF 12/1/2013@101), 12/1/2018	1,147,370
	TOTAL	1,542,225
	Pennsylvania 11.4%	
1,500,000	Allegheny County, PA HDA Authority, Revenue Bonds (Series 2010A), 5.00% (UPMC Health System), 5/15/2017	1,703,625
435,000	Allegheny County, PA IDA, Environmental Improvement Refunding Revenue Bonds (Series 2005), 5.50% (United States Steel Corp.), 11/1/2016	440,068
1,000,000	Allegheny County, PA IDA, Environmental Improvement Revenue Refunding Bonds (Series 2009), 6.50% (United States Steel Corp.), 5/1/2017	1,045,150

12,000,000	² Commonwealth of Pennsylvania, UT GO Bonds, 5.00%, 3/15/2025	13,210,290
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Principal Amount		Value
\$1,000,000	Lancaster, PA Higher Education Authority, College Revenue Bonds, 5.00% (Franklin & Marshall College), 4/15/2019	1,089,100
95,000	Philadelphia, PA Water & Wastewater System, Revenue Refunding Bonds (Series 2010A), 5.00% (Assured Guaranty Municipal Corp. INS), 6/15/2019	106,556
	TOTAL	17,594,789
	South Carolina 2.1%	
1,000,000	Georgetown County, SC Environmental Improvements, Refunding Revenue Bonds (Series 2000A), 5.95% (International Paper Co.), 3/15/2014	1,080,400
2,000,000	Piedmont Municipal Power Agency, SC, Electric Refunding Revenue Bonds (Series 2010A-3), 5.00%, 1/1/2024	2,136,480
	TOTAL	3,216,880
	South Dakota 1.1%	
1,715,000	Educational Enhancement Funding Corp., SD, Tobacco Revenue Bonds (Series 2002B), 6.50%, 6/1/2032	1,691,830
	Texas 6.8%	
1,770,000	Board of Regents of The University of Texas System, Revenue Bonds (Series 2004B), 5.25%, 8/15/2019	2,151,860
1,000,000	Decatur, TX Hospital Authority, Hospital Revenue Bonds (Series 2004A), 6.50% (Wise Regional Health System), 9/1/2014	998,720
1,000,000	Houston, TX Airport System, Senior Lien Revenue & Refunding Bonds (Series 2009A), 5.00%, 7/1/2018	1,139,750
500,000	North Texas Tollway Authority, Special Projects System Revenue Bonds (Series 2011), 5.00% (North Texas Toll Authority Special Projects System), 9/1/2021	573,525
1,165,000	Sabine River Authority, TX, PCR Refunding Bonds (Series 2006), 4.95% (Southwestern Electric Power Co.)/(National Public Finance Guarantee Corporation INS), 3/1/2018	1,243,975
545,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Retirement Facility Revenue Bonds (Series 2007), 5.00% (Air Force Village), 5/15/2016	567,105
500,000	Tarrant County, TX Cultural Education Facilities Finance Corp., Revenue Bonds, Series 2006A, 6.00% (Northwest Senior Housing Corp. Edgemere Project), 11/15/2026	480,535
1,000,000	Tyler, TX HFDC., Hospital Revenue Bonds, 5.25% (Mother Frances Hospital), 7/1/2012	1,021,410
2,235,000	West Harris County, TX Regional Water Authority, Water System Revenue Bonds (Series 2006), 5.00% (AMBAC INS), 12/15/2021	2,378,577
	TOTAL	10,555,457

Virginia 1.3%

126,000	Bell Creek CDA, VA, Special Assessment Revenue Bonds (Series 2003), 6.75%, 3/1/2022	121,879
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Principal Amount		Value
\$700,000	Broad Street CDA, VA, Revenue Bonds, 7.10% (United States Treasury PRF 6/1/2013@102)/(Original Issue Yield: 7.15%), 6/1/2016	796,691
1,000,000	Peninsula Port Authority, VA, Residential Care Facility Revenue Bonds (Series 2003A), 7.375% (Virginia Baptist Homes Obligated Group)/(United States Treasury PRF 12/1/2013@100)/(Original Issue Yield: 7.50%), 12/1/2023	1,160,060
	TOTAL	2,078,630
	Washington 0.9%	
1,420,000	Tobacco Settlement Authority, WA, Tobacco Settlement Asset Backed Revenue Bonds, 6.50% (Original Issue Yield: 6.65%), 6/1/2026	1,431,530
	Wisconsin 1.9%	
2,000,000	Wisconsin State HEFA, Revenue Bonds, 5.75% (SynergyHealth, Inc.), 11/15/2015	2,139,160
745,000	Wisconsin State HEFA, Revenue Bonds, 7.125% (Community Memorial Hospital)/(Original Issue Yield: 7.25%), 1/15/2022	734,309
	TOTAL	2,873,469
	TOTAL MUNICIPAL BONDS	152,156,179
	(IDENTIFIED COST \$147,153,042)	
	SHORT-TERM MUNICIPALS 1.7%	
	Florida 1.2%	
2,050,000	Pinellas County, FL Health Facility Authority, (Series 2006A) Daily VRDNs (Bayfront Hospital)/(SunTrust Bank LOC), 0.340%, 6/1/2011	2,050,000
	Illinois 0.1%	
200,000	Romeoville, IL, (Series 2006) Daily VRDNs (Lewis University)/(JPMorgan Chase Bank, N.A. LOC), 0.130%, 6/1/2011	200,000
	Michigan 0.1%	
100,000	Michigan Strategic Fund, (Series 2010) Weekly VRDNs (CS Facilities LLC)/(Fifth Third Bank, Cincinnati LOC), 0.330%, 6/2/2011	100,000
	Ohio 0.1%	
100,000	Geauga County, OH, Revenue Bonds (Series 2007A) Daily VRDNs (South Franklin Circle)/(Key Bank, N.A. LOC), 0.290%, 6/1/2011	100,000

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Principal Amount		Value
	Pennsylvania 0.2%	
\$250,000	Luzerne County, PA, (Series A of 2006) Weekly VRDNs (Assured Guaranty Municipal Corp. INS)/(JPMorgan Chase Bank, N.A. LIQ), 0.300%, 6/2/2011	250,000
	TOTAL SHORT-TERM MUNICIPALS (AT AMORTIZED COST)	2,700,000
	TOTAL MUNICIPAL INVESTMENTS — 100.0% (IDENTIFIED COST \$149,853,042) ⁵	154,856,179
	OTHER ASSETS AND LIABILITIES - NET ⁶	(18,109,970)
	LIQUIDATION VALUE OF AUCTION PREFERRED SHARES	(41,900,000)
	TOTAL NET ASSETS APPLICABLE TO COMMON SHAREHOLDERS	\$94,846,209

At May 31, 2011, the Fund held no securities subject to the federal alternative minimum tax (AMT).

- 1 Denotes a restricted security that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) is subject to a contractual restriction on public sales. At May 31, 2011, these restricted securities amounted to \$1,877,115, which represented 1.2% of total market value.
- 2 Underlying security in inverse floater structure.
- 3 Obligor filed for bankruptcy. On September 30, 2008, a Notice of Initial Distribution was received and a portion of the bond was redeemed at par. Subsequent distributions have occurred on various dates to redeem portions of the remaining bonds at discounts to par. The market value of the holding is adjusted to reflect the expected value of future distributions.
- 4 Current rate and next reset date shown for Variable Rate Demand Notes.
- 5 The cost of investments for federal tax purposes amounts to \$130,625,410.
- 6 Assets, other than investments in securities, less liabilities. See Statement of Assets and Liabilities.

Note: The categories of investments are shown as a percentage of total net assets at May 31, 2011.

Various inputs are used in determining the value of the Fund's investments. These inputs are summarized in the three broad levels listed below:

Level 1 — prices in active markets for identical securities, including investment companies with daily net asset values, if applicable.

Level 2 — other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.). Also includes securities valued at amortized cost.

Level 3 — significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The inputs or methodology used for valuing securities are not an indication of the risk associated with investing in those securities.

As of May 31, 2011, all investments of the Fund utilized Level 2 inputs in valuing the Fund's assets carried at fair value.

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The following acronyms are used throughout this portfolio:

AMBAC	— American Municipal Bond Assurance Corporation
CCD	— Community College District
CDA	— Community Development Authority
EDFA	— Economic Development Finance Authority
FGIC	— Financial Guaranty Insurance Company
GO	— General Obligation
GTD	— Guaranteed
HDA	— Hospital Development Authority
HEFA	— Health and Education Facilities Authority
HFDC	— Health Facilities Development Corporation
IDA	— Industrial Development Authority
IDB	— Industrial Development Bond
IDRB	— Industrial Development Revenue Bond
INS	— Insured
LIQ	— Liquidity Agreement
LO	— Limited Obligation
LOC	— Letter of Credit
LT	— Limited Tax
PCR	— Pollution Control Revenue
PCRBs	— Pollution Control Revenue Bonds
PRF	— Prerefunded
SID	— Special Improvement District
TOBs	— Tender Option Bonds
UT	— Unlimited Tax
VRDNs	— Variable Rate Demand Notes

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

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Statements of Assets and Liabilities

May 31, 2011 (unaudited)

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Assets:		
Total investments in securities, at value	\$135,563,485	\$154,856,179
Cash	31,562	28,756
Income receivable	2,046,685	2,233,065
Receivable for investments sold	—	326,273
TOTAL ASSETS	137,641,732	157,444,273
Liabilities:		
Payable for floating rate certificate securities (Note 2)	17,100,000	19,125,000
Payable for investments purchased	1,119,530	1,061,680
Income distribution payable — Common Shares	536,624	487,809
Income distribution payable — Preferred Shares	669	1,072
Payable to investment adviser (Note 5)	94	1,295
Accrued expenses	20,124	21,208
TOTAL LIABILITIES	18,777,041	20,698,064
Auction Market Preferred Shares (1,463 and 1,676 shares, respectively, authorized and issued at \$25,000 per share)	\$36,575,000	\$41,900,000
Net Assets Applicable to Common Shares Consist of:		
Paid-in capital	\$87,405,433	\$98,772,974
Net unrealized appreciation of investments	2,512,006	5,003,137
Accumulated net realized loss on investments	(8,161,802)	(9,186,509)
Undistributed net investment income	534,054	256,607
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES	\$82,289,691	\$94,846,209
Common Shares Outstanding, (\$0.01 par value, unlimited shares authorized)	6,168,083	6,968,700
Net asset value per share	\$13.34	\$13.61
Investments, at identified cost	\$133,051,479	\$149,853,042

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

Statements of Operations

Six Months Ended May 31, 2011 (unaudited)

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Investment Income:		
Interest	\$3,648,777	\$3,440,208
Expenses:		
Investment adviser fee (Note 5)	318,340	368,210
Administrative fee (Note 5)	74,795	74,795
Custodian fees	1,509	1,619
Transfer and dividend disbursing agent fees and expenses	17,063	16,963
Directors'/Trustees' fees	5,566	5,631
Auditing fees	20,456	20,456
Legal fees	8,473	7,679
Portfolio accounting fees	42,018	42,007
Printing and postage	12,335	12,896
Insurance premiums	2,130	2,140
Auction agent fees	3,242	3,241
Trailer commission fees (Note 2)	48,188	53,657
Interest and trust expenses (Note 2)	74,862	81,782
Miscellaneous	23,960	23,803
TOTAL EXPENSES	652,937	714,879
Waivers and Reimbursement (Note 5):		
Waiver of investment adviser fee	(4,989)	(5,726)
Waiver of administrative fee	(74,795)	(74,795)
Reimbursement of other operating expenses	(111,208)	(86,783)
TOTAL WAIVERS AND REIMBURSEMENT	(190,992)	(167,304)
Net expenses	461,945	547,575
Net investment income	3,186,832	2,892,633
Realized and Unrealized Gain (Loss) on investments:		

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Net realized loss on investments	(2,012,327)	(651,410)
Net change in unrealized appreciation of investments	1,165,633	991,434
Net realized and unrealized gain (loss) on investments	(846,694)	340,024
Income distributions declared to Preferred Shareholders	(40,477)	(47,856)
Change in net assets resulting from operations applicable to common shares	\$2,299,661	\$3,184,801

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

Statements of Changes in Net Assets

	Federated Premier Municipal Income Fund		Federated Premier Intermediate Municipal Income Fund	
	Six Months Ended (unaudited) 5/31/2011	Year Ended 11/30/2010	Six Months Ended (unaudited) 5/31/2011	Year Ended 11/30/2010
Increase (Decrease) in Net Assets				
Operations:				
Net investment income	\$3,186,832	\$6,489,568	\$2,892,633	\$5,984,016
Net realized gain (loss) on investments	(2,012,327)	490,732	(651,410)	(79,255)
Net change in unrealized appreciation/depreciation of investments	1,165,633	1,080,892	991,434	1,004,713
Distributions from net investment income — Preferred Shares	(40,477)	(79,201)	(47,856)	(92,181)
CHANGE IN NET ASSETS RESULTING FROM OPERATIONS APPLICABLE TO COMMON SHARES	2,299,661	7,981,991	3,184,801	6,817,293
Distributions to Common Shareholders:				
Distributions from net investment income — Common Shares	(3,218,257)	(6,482,049)	(2,926,835)	(6,035,554)
Share Transactions Applicable to Common Shares:				
Net asset value of shares issued to shareholders in payment of distributions declared	85,003	180,585	18,902	189,720
Change in net assets	(833,593)	1,680,527	276,868	971,459
Net Assets Applicable to Common Shares:				
Beginning of period	83,123,284	81,442,757	94,569,341	93,597,882
End of period	\$82,289,691	\$83,123,284	\$94,846,209	\$94,569,341
Undistributed net investment income at end of period	\$534,054	\$605,956	\$256,607	\$338,665

See Notes which are an integral part of the Financial Statements

Semi-Annual Shareholder Report

Statements of Cash Flows

Six Months Ended May 31, 2011 (unaudited)

	Federated Premier Municipal Income Fund	Federated Premier Intermediate Municipal Income Fund
Operating Activities:		
Change in net assets resulting from operations	\$2,299,661	\$3,184,801
Adjustments to Reconcile Change in Net Assets Resulting From Operations to Net Cash Provided By Operating Activities:		
Purchase of investment securities	(25,765,111)	(24,854,335)
Proceeds from sale of investment securities	25,867,298	25,158,929
Net purchase of short-term investment securities	(1,350,000)	(1,400,000)
(Increase) decrease in interest receivable	50,051	(4,346)
Decrease in accrued expenses	(32,232)	(37,516)
(Increase) decrease in receivable for investments sold	16,000	(238,823)
Increase in payable for investments purchased	1,119,530	1,061,680
Increase in payable to investment adviser	94	1,295
Net amortization of premium (discount)	87,443	358,308
Net realized loss on investments	2,012,327	651,410
Net change in unrealized appreciation of investments	(1,165,633)	(991,434)
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,139,428	2,889,969
Financing Activities:		
Income distribution to participants	(3,138,346)	(2,908,289)
NET CASH USED IN FINANCING ACTIVITIES	(3,138,346)	(2,908,289)
Net increase (decrease) in cash	1,082	(18,320)
Cash:		
Beginning of the period	30,480	47,076
End of period	\$31,562	\$28,756

Non-cash financing activities not included herein consist of reinvestment of dividends and distributions of \$85,003 and \$18,902, respectively.

See Notes which are an integral part of the Financial Statements

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Notes to Financial Statements

May 31, 2011 (unaudited)

1. ORGANIZATION

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

2. Significant Accounting Policies

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

Investment Valuation

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

- Fixed-income securities acquired with remaining maturities greater than 60 days are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- Fixed-income securities acquired with remaining maturities of 60 days or less are valued at their cost (adjusted for the accretion of any discount or amortization of any premium), which approximates market value.
- Shares of other mutual funds are valued based upon their reported NAVs.
- Derivative contracts listed on exchanges are valued at their reported settlement or closing price.
- Over-the-counter (OTC) derivative contracts are fair valued using price evaluations provided by a pricing service approved by the Trustees.
- For securities that are fair valued in accordance with procedures established by and under the general supervision of the Trustees, certain factors may be considered such as: the purchase price of the security, information obtained by contacting the issuer, analysis of the issuer's financial statements or other available documents, fundamental analytical data, the nature and duration of restrictions on disposition, the movement of the market in which the security is normally traded and public trading in similar securities of the issuer or comparable issuers.

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

Fair Valuation and Significant Events Procedures

The Trustees have authorized the use of pricing services to provide evaluations of the current fair value of certain investments for purposes of calculating the NAV. Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers and general market conditions. Some pricing services provide a single price evaluation reflecting the bid-side of Semi-Annual

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the market for an investment (a “bid” evaluation). Other pricing services offer both bid evaluations and price evaluations indicative of a price between the prices bid and asked for the investment (a “mid” evaluation). The Funds normally use bid evaluations for U.S. Treasury and Agency securities, mortgage-backed securities and municipal securities. The Funds normally use mid evaluations for other types of fixed-income securities and OTC derivative contracts. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

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

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

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

Investment Income, Gains and Losses, Expenses and Distributions

Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified-cost basis. Interest income and expenses are accrued daily. Non-cash dividends included in dividend income, if any, are recorded at fair value. Distributions to common shareholders are recorded on the ex-dividend date and are declared and paid monthly. Distributions to preferred shareholders are recorded daily and paid weekly at a rate set through auction procedures or under each Fund's Statement of Preferences. The dividend rate to preferred shareholders for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund at May 31, 2011, was 0.133% and 0.122%, respectively.

Each auction requires the participation of one or more Broker-Dealers. The auction agent, currently Deutsche Bank Trust Company Americas, will enter into agreements with one or more Broker-Dealers selected by the Funds, which provide for the participation of those Broker-Dealers in auctions for preferred shares. The auction agent will pay each Broker-Dealer after each auction, from funds provided by the Funds. The trailer commissions for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund for the six months ended May 31, 2011, were \$48,188 and \$53,657, respectively.

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Premium and Discount Amortization

All premiums and discounts on fixed-income securities are amortized/accreted using the effective interest rate method.

Federal Taxes

It is each Fund's policy to comply with the Subchapter M provision of the Internal Revenue Code (the "Code") and to distribute to shareholders each year substantially all of its income. Accordingly, no provision for federal income tax is necessary. As of and during the six months ended May 31, 2011, the Funds did not have a liability for any uncertain tax positions. The Funds recognize interest and penalties, if any, related to tax liabilities as income tax expense in the Statement of Operations. As of May 31, 2011, tax years 2007 through 2010 remain subject to examination by the Funds' major tax jurisdictions, which include the United States of America and the Commonwealth of Massachusetts.

When-Issued and Delayed Delivery Transactions

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

Inverse Floater Structures

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

The Funds account for the transfer of bonds to the trusts as secured borrowings, with the securities transferred remaining in the Funds' investments, and the related floating rate notes reflected as Fund liabilities under the caption, "Payable for floating rate certificate securities" in the Statements of Assets and Liabilities. At May 31, 2011, for Federated Premier Municipal Income Fund, investments with a value of \$24,019,153 are held by the trust and serve as collateral for the \$17,100,000 in floating-rate certificate securities outstanding at that date, and for the Federated Premier Intermediate Municipal Income Fund, investments with a value of \$28,599,615 are held by the trust and serve as collateral for the \$19,125,000 in floating-rate certificate securities outstanding at that date. The Federated Premier Municipal Income Fund and the Federated Premier Intermediate Municipal Income Fund recorded interest and trust expenses of \$74,862 and \$81,782, respectively, for these investments for the six months ended May 31, 2011.

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

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Restricted Securities

The Funds may purchase securities which are considered restricted. Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer's expense, either upon demand by the Funds or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Funds will not incur any registration costs upon such resales. The Funds' restricted securities are valued at the price provided by dealers in the secondary market or, if no market prices are available, at the fair value as determined in accordance with procedures established by and under the general supervision of the Trustees.

Additional information on restricted securities, excluding securities purchased under Rule 144A, if applicable, that have been deemed liquid by the Trustees, held at May 31, 2011, is as follows:

Federated Premier Municipal Income Fund:

Security	Acquisition Date	Cost	Market Value
Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	6/9/2006	\$500,000	\$394,855
New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.50% (7 World Trade Center LLC), 3/1/2035	3/15/2005	\$800,000	\$801,944

Federated Premier Intermediate Municipal Income Fund:

Security	Acquisition Date	Cost	Market Value
Capital Trust Agency, FL, Revenue Bonds (Series 2003A), 8.95% (Seminole Tribe of Florida Convention and Resort Hotel Facilities)/(United States Treasury PRF 10/1/2012 @ 102), 10/1/2033	5/9/2003	\$600,000	\$679,044
Cow Creek Band of Umpqua Tribe of Indians, Tax-Exempt Tax Revenue Bonds (Series 2006C), 5.625%, 10/1/2026	6/9/2006	\$500,000	\$394,855
New York City, NY IDA, Liberty Revenue Bonds (Series A), 6.25% (7 World Trade Center LLC), 3/1/2015	3/15/2005	\$800,000	\$803,216

Other

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets, liabilities, expenses and revenues reported in the financial statements. Actual results could differ from those estimated.

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3. Common Shares

The following tables summarize share activity:

Federated Premier Municipal Income Fund	Six Months Ended 5/31/2011	Year Ended 11/30/2010
Shares issued to shareholders in payment of distributions declared	6,544	12,750
TOTAL CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	6,544	12,750

Federated Premier Intermediate Municipal Income Fund	Six Months Ended 5/31/2011	Year Ended 11/30/2010
Shares issued to shareholders in payment of distributions declared	1,395	13,829
TOTAL CHANGE RESULTING FROM FUND SHARE TRANSACTIONS	1,395	13,829

4. Federal Tax Information

At May 31, 2011, the following amounts apply for federal income tax purposes:

	Cost of Investments	Unrealized Appreciation	Unrealized Depreciation	Net Unrealized Appreciation
Federated Premier Municipal Income Fund	\$115,834,043	\$5,391,985	\$2,762,543	\$2,629,442
Federated Premier Intermediate Municipal Income Fund	\$130,625,410	\$6,815,461	\$1,709,692	\$5,105,769

At November 30, 2010, Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund had capital loss carryforwards of \$6,235,180 and \$8,644,844, respectively, which will reduce the Funds' taxable income arising from future net realized gains on investments, if any, to the extent permitted by the Code and thus will reduce the amount of distributions to shareholders which would otherwise be necessary to relieve the Funds of any liability for federal income tax. Pursuant to the Code, such capital loss carryforwards will expire as follows:

	2011	2012	2013	2015	2016	2017	2018	Total Capital Loss Carryforwards
Federated Premier Municipal Income Fund	\$ —	\$1,006,389	\$678,904	\$ —	\$1,763,799	\$2,786,088	—	\$6,235,180
Federated Premier	\$5,504	\$1,598,165	\$1,175,977	\$615,196	\$1,122,663	\$4,048,132	\$79,207	\$8,644,844

Intermediate
Municipal
Income Fund

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Funds will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future years will be required to be utilized prior to the losses incurred in pre-enactment tax Semi-Annual Shareholder Report

years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

5. Investment Adviser Fee and Other Transactions With Affiliates

Investment Adviser Fee

Each Fund has entered into an Investment Management Agreement (the “Agreement”) with Federated Investment Management Company (the “Adviser”), to serve as investment manager to the Funds. The Agreement provides for an annual management fee, payable daily, at the annual rate of 0.55% of each Fund's managed assets.

In order to reduce the Funds' expenses, the Adviser had contractually agreed to waive a portion of its investment adviser fee at the annual rate of 0.20% of the average daily net value of each Fund's managed assets, inclusive of any assets attributable to any preferred shares that may be issued, from the commencement of operations through December 31, 2007, and at a declining rate thereafter through December 31, 2010. Effective January 1, 2009 and continuing through December 31, 2009, the contractual waiver was reduced to 0.10%. Effective January 1, 2010 and continuing through December 31, 2010, the contractual waiver was reduced to 0.05%. For the six months ended May 31, 2011, the Adviser waived \$4,989 and \$5,726 of its fee for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund, respectively. Additionally, for the six months ended May 31, 2011, the Adviser reimbursed other operating expenses of \$111,208 and \$86,783 for Federated Premier Municipal Income Fund and Federated Premier Intermediate Municipal Income Fund, respectively.

Administrative Fee

Federated Administrative Services (FAS), under the Administrative Services Agreement, provides the Funds with administrative personnel and services. The fee paid to FAS is based on the average aggregate daily net assets of certain Federated funds as specified below:

Administrative Fee	Average Aggregate Daily Net Assets of the Federated Funds
0.150%	on the first \$5 billion
0.125%	on the next \$5 billion
0.100%	on the next \$10 billion
0.075%	on assets in excess of \$20 billion

The administrative fee received during any fiscal year shall be at least \$150,000 per portfolio and \$40,000 per each additional class of Shares. FAS may voluntarily choose to waive any portion of its fee. FAS can modify or terminate this voluntary waiver at any time at its sole discretion. For the six months ended May 31, 2011, FAS waived its entire fee of \$74,795 on each Fund.

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