FEDERATED PREMIER MUNICIPAL INCOME FUND
Form N-14
August 11, 2017
File No. __________

As filed with the SEC on August 11, 2017

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM N-14

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No. __

Post-Effective Amendment No. __

(Check appropriate box or boxes)

FEDERATED PREMIER MUNICIPAL INCOME FUND

(Exact Name of Registrant as Specified in Charter)

1-800-341-7400

(Area Code and Telephone Number)

4000 Ericsson Drive

Warrendale, PA 15086-7561

(Address of Principal Executive Offices)

John W. McGonigle, Esquire

Federated Investors Tower

1001 Liberty Avenue

Pittsburgh, Pennsylvania 15222-3779

(Name and Address of Agent for Service)

Copies to:

Thomas Early, Esquire

Goodwin Procter LLP

601 S. Figueroa St.

41st Floor

Los Angeles, CA 90017

Approximate Date of Proposed Public Offering: As soon as practicable after this Registration Statement becomes effective under the Securities Act of 1933, as amended.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	**Amount Being Registered (1)**	**Proposed Maximum Offering Price per Unit (1)**	**Proposed Maximum Aggregate Offering Price (1)**	**Amount of Registration Fee**
Common shares of beneficial interest, $0.01 par value per share	66,006	$15.15 (2)	$999,990.90	$115.90
Preferred shares of beneficial interest (Auction Market Preferred Shares)	40	$25,000.00 (3)	$1,000,000.00	$115.90

(1) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

(2) Net asset value per common share on August 8, 2017.

(3) Represents the liquidation preference of an Auction Market Preferred Share after the Reorganization.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Commission, acting pursuant to said Section 8(a), may determine.

Federated Premier Intermediate Municipal Income Fund

Federated Premier Municipal Income Fund

Time is of the essence. Voting only takes a few minutes. Please act now to help the funds avoid additional expenses.

Federated Premier Intermediate Municipal Income Fund ("FPT") and Federated Premier Municipal Income Fund ("FMN") (each, a "Fund" and together, the "Funds") will hold a joint annual meeting of shareholders on October [ ], 2017. **It is important for you to vote.** We recommend that you read the accompanying Prospectus/Proxy Statement in its entirety.

What is the purpose of the joint annual meeting?

Certain funds are required to obtain shareholder approval for certain types of events, like the ones described here and in the Prospectus/Proxy Statement. As a shareholder of FPT and/or FMN ("Shareholders") as of the record date (July 26, 2017), you have a right to vote on these events, and we urge you to do so.

What am I being asked to vote on?

Shareholders are being asked to approve:

1. (*For Shareholders of FPT only*): To approve or disapprove a proposed Agreement and Plan of Reorganization and Termination (the "Plan") pursuant to which FMN or substantially all, of the assets of FPT in exchange for shares of FMN to be distributed pro rata by FPT to its shareholders, in complete liquidation and dissolution of FPT (the "Reorganization").
2. (*For Shareholders of FMN only*): To approve or disapprove a proposed issuance of additional common shares of FMN in connection with the Reorganization pursuant to the Plan (the "Share Issuance").
3. (*For Shareholders of FPT and FMN separately)*: To consider the election of J. Christopher Donahue, P. Jerome Richey and John T. Collins as Class II Trustees of each Fund.
4. (*For preferred Shareholders of FPT and FMN separately)*: To consider the election of Peter E. Madden and John S. Walsh as Trustees of each Fund.
5. To transact such other business as may properly come before the joint annual meeting or any adjournment thereof.

Holders of common shares ("Common Shareholders") of FPT and holders of preferred shares ("Preferred Shareholders" and together with the Common Shareholders, as applicable, the "Shareholders") of FPT will vote on the Reorganization together as a single class. The Preferred Shareholders also will vote on the Reorganization as a separate class. In the election of the Trustees, the holders of each Fund's Common Shares and Preferred Shares will vote together as a single class. In the election of Trustees for each Fund, the three nominees receiving the highest numbers of votes will be elected. In the election of the two Trustees of each Fund to be elected by the Preferred Shareholders, the holders of each Fund's Preferred Shares will vote separately as a class. In the election of these Trustees for each Fund, the two nominees receiving the highest numbers of votes will be elected. Please refer to the enclosed Prospectus/Proxy

Statement, as well as the information below, for details regarding the proposals.

Why is the Reorganization proposed for Federated Premier Intermediate Municipal Income Fund?

The Board of Trustees ("Board") of each Fund believes that the proposed Reorganization of FPT with and into FMN is in the best interests of its Fund and would not dilute the interests of Shareholders. FMN would continue to pursue its investment strategy, which is substantially similar to FPT's investment strategy, and FPT Shareholders may benefit from FMN's historically smaller trading discount, historically higher yield, and larger combined assets. Currently (and historically), FMN's share price has traded much closer to net asset value ("NAV") per Common Share than has been the case for FPT. As a result, the proposed Reorganization may provide FPT Shareholders with an immediate increase in market value. Federated Investment Management Company (the "Adviser") believes FMN's narrower discount is due, in part, to much greater market acceptance of the long-term, leveraged municipal fund structure relative to the intermediate structure. Long-term, leveraged municipal funds, such as FMN, have tended to pay higher yields than intermediate municipal funds. Reorganizing FPT into FMN and continuing to manage the reorganized fund using FMN's current long-term strategy may benefit FPT's shareholders through a narrower discount.

Following the proposed Reorganization, FMN would have broader yield curve diversity than either FPT or FMN currently has alone. FMN shareholders would benefit from a more conservative effective duration and broader yield curve diversification than is currently the case at a higher yield level that could not be recreated at today's market yields (given that FPT's positions would be acquired at historical amortized cost). The Adviser believes that a conservative effective duration and yield curve exposure is desirable from a total return and risk management perspective given the expected rise in market yields in the foreseeable future. Currently FMN does not anticipate changing the distribution rate it pays immediately after the Reorganization, although there can be no assurance that this will be the case. The shorter duration may result in a somewhat lower yield. The Advisor intends to carefully manage the yield to remain competitive relative to other long term leveraged closed end funds.

In addition, the Reorganization should ultimately benefit FPT and FMN shareholders by providing, among other things, better trading volume (which is generally associated with a larger fund) and trading costs (since the larger Fund could trade in larger blocks), increased Common Share trading liquidity, increased portfolio and leverage management flexibility, the opportunity for more attractive portfolio characteristics, and other benefits associated with a larger portfolio. FPT and FMN are comparatively small. The size disadvantage results in higher fixed costs relative to peers and diminished trading activity for fund shares relative to peers. A larger combined Fund with a significant increase in outstanding shares is highly likely to result in greater trading volume and better Common Share trading liquidity for all shareholders. A larger fund can also transact in larger blocks, creating transaction cost advantages, and would spread the fixed costs, including the administrative soft and hard costs related to the leveraged structure, across a larger asset base.

As part of the FPT Board's ongoing review of available options to enhance Shareholder value and address the difference between market price per share and NAV per share, the Board considered whether certain measures, including, but not limited to, share repurchases in the open market, one-time or periodic tender offers, conversion to an open-end fund, and reorganization with and into an open-end mutual fund, would be in the best interests of FPT and FPT shareholders. However, FPT's Board believes that the Reorganization would be in the best interests of the Fund for several reasons, including, but not limited to, those discussed above and in the Prospectus/Proxy Statement. FPT's largest Shareholder has agreed to vote in favor of the Reorganization.

Please see the section entitled "Summary-Reasons for the Proposed Reorganization" in the Prospectus/Proxy Statement for more information.

How will the Reorganization affect my investment?

FPT has the three classes of shares - Common Shares, Auction Market Preferred Shares ("AMPS") and Variable Rate Municipal Term Preferred Shares ("VMTPS"). It is proposed that FPT shareholders approve a Reorganization whereby FMN will acquire all or substantially all of FPT's assets in exchange for the shares of FMN as summarized in the following chart:

Reorganizing Fund	Reorganizing Fund Share Classes	Surviving Fund	Surviving Fund Share Classes
Federated Premier Intermediate Municipal Income Fund	Common Shares Auction Market Preferred Shares Variable Rate Municipal Term Preferred Shares	Federated Premier Municipal Income Fund	Common Shares Auction Market Preferred Shares Variable Rate Municipal Term Preferred Shares

As a result of the Reorganization, each FPT Common Shareholder will receive newly-issued Common Shares of FMN (and cash in lieu of fractional FMN Common Shares). The aggregate NAV of the FMN Common Shares received by FPT Common Shareholders (including, for this purpose, fractional FMN Common Shares to which FPT Common Shareholders would be entitled) will be equal to the aggregate NAV of FPT Common Shares owned as of the closing of the Reorganization. Fractional shares will be aggregated and sold on the open market and Shareholders will receive cash in lieu of such fractional shares (except with respect to FPT Common Shares held in an account under FPT's dividend reinvestment plan, for which that Shareholder will receive fractional shares.). The number of FMN Common Shares FPT Common Shareholders receive will be based on the relative NAVs per Common Share of FPT and FMN as of the closing of the Reorganization.

Each FPT Preferred Shareholder will receive newly issued Preferred Shares of the same class of FMN having substantially similar terms as the respective FPT Preferred Shares. The aggregate liquidation preference of the newly-issued FMN AMPS will equal the aggregate liquidation preference of FPT AMPS. The aggregate liquidation preference of the newly-issued FMN VMTPS will equal the aggregate liquidation preference of FPT VMTPS. The AMPS and VMTPS to be issued in the Reorganization will have equal priority with FMN's currently outstanding AMPS and VMTPS, respectively, as to the payment of dividends and the distribution of assets in the event of FMN's liquidation.

Under the Plan, FPT will transfer all, or substantially all of, its assets to FMN in exchange for FMN shares, which would be distributed pro rata by FPT to its Shareholders in complete liquidation and termination of FPT.

On July 14, 2017, FPT commenced a tender offer for up to 20 percent of its outstanding Common Shares for cash at a price equal to 98 percent of NAV determined on the date the tender offer expired. The tender offer concluded on August [ ], 2017, and FPT purchased for cash [ ] of its Common Shares.

How similar are the Funds?

Each Fund is a Delaware statutory trust and is registered under the Investment Company Act of 1940 as a diversified closed-end management investment company. The Funds have identical investment objectives and substantially similar investment policies and strategies. The Funds are each managed by the Adviser, and both Funds' Common Shares are traded on the New York Stock Exchange ("NYSE").

The investment objectives of FPT and FMN are identical. Each Fund seeks to provide current income exempt from federal income tax, including the federal alternative minimum tax ("AMT"). The investment policies, strategies and limitations of the Funds are substantially similar. The Funds normally invest substantially all (at least 90%) of their total assets in tax-exempt securities. The primary difference between FPT's and FMN's investment strategies is that FPT, under normal circumstances, maintains a dollar-weighted average effective portfolio maturity of three to ten years and a dollar-weighted average duration of three to eight years, while FMN maintains a dollar weighted average stated portfolio maturity of ten to thirty years and a dollar weighted average duration of thirteen years or less. As a result of the Reorganization, the portfolio of FMN will have a broader portfolio diversification with respect to the maturity of its securities and will have a more conservative duration. Adviser intends to manage FMN after the Reorganization in a manner that may entail some adjustments to FMN's duration.

Each Fund maintains two sources of leverage, namely VMTPS and AMPS.

Please see the Prospectus/Proxy Statement for additional comparison information.

What are the costs associated with the Reorganization?

The Funds will pay for the production, mailing and any solicitation expenses associated with the Reorganization, which are estimated not to exceed $25,000, and the registration fees with respect to securities issued pursuant to the Reorganization, on an as-incurred basis. Due to the voluntary waivers the Adviser has undertaken for both Funds, it is currently anticipated that the Adviser would indirectly bear some of the immediate costs associated with the Reorganization.

When will the Reorganization occur?

If FPT Shareholders approve the Reorganization, and FMN's Shareholders approve the Share Issuance, the Reorganization is expected to occur during the fourth quarter of 2017.

Why are Shareholders of Federated Premier Municipal Income Fund being asked to approve the Share Issuance?

Applicable state and federal law do not require FMN Shareholders to approve the issuance of FMN Common Shares in connection with the Reorganization. However, given the relative size of the Funds, and therefore the number of FMN Common Shares that would be issued in the Reorganization, applicable NYSE rules do require FMN Shareholders to approve the issuance.

What happens if the Reorganization is not approved by FPT Shareholders or the Share Issuance is not approved by FMN Shareholders?

Completion of the Reorganization requires both the approval by FPT Shareholders of the Reorganization and the approval by FMN Shareholders of the Share Issuance. If either the Reorganization or the Share Issuance is not approved, the Reorganization will not take place and FPT and FMN will continue as separate investment companies. In that event, the Board of each Fund will consider such alternatives as each Board determines to be in the best interests of the Fund and its Shareholders, including further solicitation of Shareholders or re-proposing the Reorganization and/or Share Issuance.

However, if the Reorganization and the Share Issuance are approved, it will not be necessary to consider the election of Trustees of FPT at the annual shareholder meeting.

How will each Fund's distribution be impacted?

The Common Shareholders of both Funds receive distributions on a monthly basis. It is expected that FMN will continue to pay distributions on a monthly basis after the Reorganization. FPT and FMN historically have paid different distributions per Common Share due in part to the different NAVs per Common Share and to the different durations and yield curve exposures of the Funds. The number of FMN Common Shares received by FPT Common Shareholders in the Reorganization will be based on the Funds' relative NAV per Common Share. Currently it is expected that the dollar amount of distributions per share that FPT Common Shareholders receive will be different after the Reorganization occurs and may increase, although there can be no assurance that this will be true. To the extent that FPT's NAV per Common Share remains lower than FMN's NAV per Common Share (as is currently the case), FPT Common Shareholders will receive somewhat fewer FMN Common Shares than they currently hold of FPT and the reduction in the number of Common Shares will slightly offset the difference in the distribution rate per Common Share that they will receive after the Reorganization. As described above and in the Prospectus/Proxy Statement, FMN's portfolio will become more conservative with respect to interest rate risk immediately after the Reorganization and so it may pay distributions per Common Share at a different rate that may decrease at some point after the Reorganization, although there can be no assurance that this will be the case. The Advisor intends to carefully manage FMN's distribution to remain competitive relative to other long term leveraged closed end funds.

Distributions to AMPS Shareholders are paid weekly at a rate set through auction procedures under each Fund's Statement of Preferences. Consistent with the patterns in the broader auction-rate securities market, the Funds' AMPS auctions continue to be unsuccessful in clearing due to an imbalance of sell orders over bids to buy the AMPS. As a result, the dividend rates of the AMPS remain at the maximum applicable rates and are expected to continue to do so after the Reorganization. Distributions to VMTPS Shareholders of both Funds reset weekly at a fixed spread above the Securities Industry and Financial Markets Association Municipal Swap Index. That is expected to continue after the Reorganization.

Will I have to pay federal income tax as a result of the Reorganization?

The Reorganization is intended to qualify as a tax-free reorganization for U.S. federal income tax purposes. As a condition of the closing, the Funds will receive a legal opinion regarding the tax-free status of the Reorganization. If the Reorganization so qualifies, in general, Shareholders are not expected to recognize any gain or loss for U.S. federal income tax purposes as a result of the Reorganization other than with respect to any cash received in lieu of fractional Common Shares.

On or prior to the closing date of the transactions with respect to the Reorganization (the "Closing Date"), FPT may declare distributions for the purpose of distributing to FPT's Common Shareholders all of its net investment company taxable income and all of its net capital gains, and such portion of its net tax-exempt interest income, through the Closing Date, as is necessary to ensure that FPT maintains its regulated investment company status at all times up to and including the Closing Date. All of a portion of such distributions may be taxable to FPT's Shareholders for federal income tax purposes.

The Funds' Shareholders should consult their own tax advisers regarding the federal income tax consequences of the Reorganization, as well as the effects of state, local and non-U.S. tax laws, including possible changes in tax laws.

Will I have to pay any sales load, commission, or other related fee in connection with the Reorganization?

No, you will not pay any sales load, commission, or other related fee in connection with the Reorganization.

A shareholder's broker, dealer or other financial intermediary (each, a "Financial Intermediary") may impose its own shareholder account fees for processing corporate actions, which could apply as a result of the Reorganizations. These shareholder account fees, if applicable, are not paid or otherwise remitted to the Funds or the Funds' investment adviser. The imposition of such fees is based solely on the terms of a shareholder's account agreement with his, her or its Financial Intermediary and/or is in the discretion of the Financial Intermediary. Questions concerning any such shareholder account fees or other similar fees should be directed to a shareholder's Financial Intermediary.

How do I vote my shares?

Voting your shares is simple and easy. There are several ways to cast your vote:

Online–Use the web address on the ballot;

Telephone–Call the toll-free telephone number on the ballot;

Mail–Complete and return the ballot in the enclosed postage paid envelope; or

Vote in person at the October [ ], 2017, joint annual shareholder meeting.

If you:

1. Sign and return the proxy card without indicating a preference, your vote will be cast "for" each of the proposals.

2. Do not respond at all, we may contact you by telephone to ask you to cast your vote.

Your vote is very important. We encourage you as a Shareholder to participate in your Fund's governance by returning your vote as soon as possible. If we do not hear from you after a reasonable amount of time, you may receive a telephone call from our proxy solicitor, Computershare, reminding you to vote your shares.

Whom do I call if I have questions about this Proxy Statement?

Please don't hesitate to contact your Investment Professional or call us toll-free at **1-800-341-7400**.

The Tender Offer referred to in these questions and answers commenced on July 14, 2017, and concluded on August [ ], 2017. Although the Tender Offer and Reorganization are part of a series of actions that were recommended by the Adviser and approved by the Boards (the Tender Offer was approved by the FPT Board only), they are independent transactions and are not dependent or conditioned on one another. These questions and answers are neither an offer to purchase nor a solicitation of an offer to sell any shares of FPT. The solicitation and the offer to buy shares of FPT were made pursuant to a Tender Offer Statement on Schedule TO and related materials that FPT filed with the U.S. Securities and Exchange Commission ("SEC"), which contained an offer to purchase, forms of letters of transmittal and other documents relating to the Tender Offer. Those documents contained important information about the Tender Offer. Investors may obtain a free copy of these documents at the SEC's web site at www.sec.gov or by directing a request to: Federated Investment Management Company, 4000 Ericsson Drive, Warrendale, Pennsylvania 15086-7561, or by calling: 1-800-730-6001.

Thank you in advance for your vote and your continued support of the Federated Funds.

After careful consideration, the Board of each Fund has unanimously approved the proposals.

The Board of each Fund recommends that you read the enclosed materials carefully and vote FOR the proposals.

FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND

FEDERATED PREMIER MUNICIPAL INCOME FUND

4000 Ericsson Drive

Warrendale, PA 15086-7561

Telephone No: 1-800-341-7400

NOTICE OF JOINT ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD OCTOBER [ ], 2017

TO SHAREHOLDERS OF FEDERATED PREMIER INTERMEDIATE MUNICIPAL INCOME FUND AND FEDERATED PREMIER MUNICIPAL INCOME FUND:

A joint annual meeting of shareholders of Federated Premier Intermediate Municipal Income Fund ("FPT") and Federated Premier Municipal Income Fund ("FMN") (each, a "Fund" and together, the "Funds") will be held at 4000 Ericsson Drive, Warrendale, Pennsylvania 15086-7561, at [a.m.] (Eastern time), on October [ ], 2017, ("Joint Annual Meeting") for the following purposes:

1. (*For Shareholders of FPT only*): To approve or disapprove a proposed Agreement and Plan of Reorganization and Termination (the "Plan") pursuant to which FMN would acquire all, or substantially all, of the assets of FPT in exchange for shares of FMN to be distributed pro rata by FPT to its shareholders, in complete liquidation and dissolution of FPT (the "Reorganization").
2. (*For Shareholders of FMN only*): To approve or disapprove a proposed issuance of additional common shares of FMN in connection with the Reorganization pursuant to the Plan (the "Share Issuance").
3. (*For Shareholders of FPT and FMN separately)*: To consider the election of J. Christopher Donahue, P. Jerome Richey and John T. Collins as Class II Trustees of each Fund.
4. (*For preferred Shareholders of FPT and FMN separately)*: To consider the election of Peter E. Madden and John S. Walsh as Trustees of each Fund.
5. To transact such other business as may properly come before the joint annual meeting or any adjournment thereof.

Any such vote in FAVOR of or AGAINST the Proposal(s) will authorize the persons named as proxies to vote accordingly in FAVOR of or AGAINST any adjournment of the Joint Annual Meeting.

The Board of Trustees of each Fund has fixed July 26, 2017, as the record date for determination of Shareholders entitled to vote at the meeting.

By Order of the Boards of Trustees of Federated Premier Intermediate Municipal Income Fund and Federated Premier Municipal Income Fund,

John W. McGonigle

Secretary

[ ], 2017

PLEASE SIGN, DATE, AND RETURN THE ENCLOSED PROXY CARD PROMPTLY.

YOU CAN HELP THE FUNDS AVOID THE NECESSITY AND EXPENSE OF SENDING FOLLOW-UP LETTERS TO ENSURE A QUORUM BY PROMPTLY RETURNING THE ENCLOSED PROXY CARD. IF YOU ARE UNABLE TO ATTEND THE MEETING, PLEASE MARK, SIGN, DATE, AND RETURN THE ENCLOSED PROXY CARD SO THAT THE NECESSARY QUORUM MAY BE REPRESENTED AT THE MEETING. THE ENCLOSED ENVELOPE REQUIRES NO POSTAGE IF MAILED IN THE UNITED STATES.

PROSPECTUS/PROXY STATEMENT

[ ], 2017

For the reorganization of

Federated Premier Intermediate Municipal Income Fund,
a closed-end investment company

Federated Investors Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561
Telephone No: 1-800-341-7400

Into

Federated premier Municipal Income Fund,
a closed-end investment company

Federated Investors Funds
4000 Ericsson Drive
Warrendale, PA 15086-7561
Telephone No: 1-800-341-7400

This Prospectus/Proxy Statement is solicited on behalf of the Boards of Trustees (each a "Board" or "Trustees") of Federated Premier Intermediate Municipal Income Fund ("FPT") and Federated Premier Municipal Income Fund ("FMN") (each a "Fund" and, together, the "Funds"). The proxies will be voted at the joint annual meeting of shareholders of the Funds and at any and all adjournments, postponements, or delays thereof. The meeting will be held on October [ ], 2017, at 4000 Ericsson Drive, Warrendale, Pennsylvania, at [a.m.] (Eastern time) ("Joint Annual Meeting").

The Joint Annual Meeting is scheduled as a joint meeting of the respective holders of common shares (the "Common Shareholders") and preferred shares (the "Preferred Shareholders" and, together with the Common Shareholders, as applicable, the "Shareholders") of the two Funds because the Shareholders of the Funds are expected to consider and vote on similar matters. This Prospectus/Proxy Statement and the enclosed proxy card(s) are expected to be mailed on or about September [ ], 2017, to Shareholders of record at the close of business on July 26, 2017 (the "Record Date").

This Prospectus/Proxy Statement describes the proposals for the reorganization of FPT with and into FMN (the "Reorganization") pursuant to the Agreement and Plan of Reorganization and Termination (the "Plan") and the subsequent issuance of additional Common Shares of FMN in connection with the Reorganization pursuant to the Plan (the "Share Issuance"). Shareholders of each Fund will vote separately on the proposals set forth herein, as applicable, and on any other matters that may arise for that Fund. An unfavorable vote on the proposals by the Shareholders of one Fund will not affect the implementation of the proposals by the other Fund if the Proposals are approved by the Shareholders of the other Fund except that completion of the Reorganization requires both the approval by FPT Shareholders of the Reorganization and approval of FMN Shareholders of the Share Issuance.

Under the Plan, FPT would transfer all or substantially all of its assets to FMN, in exchange for shares of FMN. FMN is expected to be the accounting survivor in the Reorganization. Shares of FMN will be distributed pro rata by FPT to its Shareholders in complete liquidation, dissolution, and termination of FPT.

As a result of the Reorganization, each FPT Common Shareholder will receive newly-issued Common Shares of FMN (and cash in lieu of fractional Common Shares). The aggregate NAV of the FMN Common Shares received by FPT Common Shareholders (including, for this purpose, fractional FMN Common Shares to which FPT Common Shareholders would be entitled) will be equal to the aggregate NAV of FPT Common Shares as of the closing of the Reorganization. Fractional shares will be aggregated and sold on the open market and Shareholders will receive cash in lieu of such fractional shares (except with respect to FPT Common Shares held in an account under FPT's dividend reinvestment plan, for which that Shareholder will receive fractional shares). Each Preferred Shareholder of FPT will receive newly issued Preferred Shares of the same class of FMN having substantially similar terms as the respective FPT Preferred Shares. The aggregate liquidation preference of the newly-issued FMN AMPS will equal the aggregate liquidation preference of FPT AMPS. The aggregate liquidation preference of the newly-issued FMN VMTPS will equal the aggregate liquidation preference of FPT VMTPS. The AMPS and VMTPS to be issued in the Reorganization will have equal priority with FMN's existing outstanding AMPS and VMTPS, respectively, as to the payment of dividends and the distribution of assets in the event of FMN's liquidation.

If either the Reorganization or the Share Issuance is not approved by Shareholders, FPT and FMN will continue as separate investment companies. The Boards of FPT and FMN will then consider such alternatives as each Board determines to be in the best interests of Shareholders, including further solicitation of Shareholders or re-proposing the Reorganization and/or Share Issuance.

The cost of the solicitation, including the printing and mailing of proxy materials, will be borne by the Funds. In addition to solicitations through the mail, proxies may be solicited by officers, employees, and agents of the Funds. Such persons will receive no additional compensation for making such solicitations. The Funds may also employ Computershare as a proxy solicitor pursuant to its standard contract, the cost of which will be borne by the Funds and is estimated to be approximately $10,000 for FPT and approximately $10,000 for FMN. Solicitations by such persons may be by telephone, electronic mail, or otherwise. Any telephonic solicitations will follow procedures designed to ensure accuracy and prevent fraud, including requiring identifying Shareholder information, recording the Shareholder's instructions, and confirming with the Shareholder after the fact. The Funds will reimburse custodians, nominees, and fiduciaries for the reasonable costs incurred by them in connection with forwarding solicitation materials to the beneficial owners of shares held of record by such persons.

The classes of Fund shares listed in the table below are the only classes of shares currently authorized by each Fund. Each Fund offers commons shares ("Common Shares") and two classes of preferred shares -- Auction Market Preferred Shares ("AMPS") and Variable Rate Municipal Term Preferred Shares ("VMTPS," and together with the AMPS, the "Preferred Shares"). This Proxy/Prospectus is not an offering document for the VMTPS. The VMTPS will be issued in connection with the Reorganization; however, the VMTPS will be offered pursuant a private transaction and will not be registered under the Securities Act of 1933.

The purposes of the Joint Annual Meeting are set forth in the accompanying Notice. Should other business properly be brought before the Joint Annual Meeting, proxies will be voted in accordance with the best judgment of the persons named as proxies. As of the Record Date, the Funds had outstanding the following numbers of shares:

	Common Shares	**AMPS**	**VMTPS**
Federated Premier Municipal Income Fund	6,189,879	726	1,421
Federated Premier Intermediate Municipal Income Fund	6,982,324	596	1,847

The investment objectives of FPT and FMN are identical. Each Fund's investment objective is to provide current income, with a secondary objective of total return. For a comparison of the investment objectives, policies, limitations, and risks of FPT with those of FMN, see the section entitled "Summary-Comparison of Investment Objectives, Policies, Procedures, and Risks" in this Prospectus/Proxy Statement.

The Reorganization is intended to be a tax-free reorganization for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"). No gain or loss should be recognized by a Shareholder of FPT who exchanges all of their Common Shares solely for Common Shares of FMN pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares). For information on the tax consequences of the Reorganization, see the sections entitled "Summary-Tax Consequences" and "Information about the Reorganization-Federal Income Tax Consequences" in this Prospectus/Proxy Statement.

The Board of each Fund has determined that the Reorganization is in the best interests of its Fund and would not dilute the interests of such Shareholders. FMN would continue to pursue its investment strategy, which is substantially similar to that of FPT, and FPT Shareholders may benefit from FMN's historically smaller trading discount, historically higher yield due to the nature of long funds as compared to intermediate funds, and larger combined assets. In addition, the Reorganization may ultimately benefit FPT and FMN Shareholders by providing, among other things, better trading volume (which is generally associated with a larger fund) and Common Share trading liquidity and other benefits associated with a larger portfolio and the opportunity for more attractive portfolio characteristics. After the Reorganization, Shareholders of FPT will be invested in a fund with a stronger overall historical performance record and a substantially similar investment strategy. Information on the rationale for the Reorganization is included in this Prospectus/Proxy Statement in the section entitled "Summary-Reasons for the Proposed Reorganization."

This Prospectus/Proxy Statement should be retained for future reference. It sets forth the information about the Funds that a prospective investor should know before investing. The Statement of Additional Information dated September [ ], 2017, relating to this Prospectus/Proxy Statement, contains additional information and has been filed by FMN with the Securities and Exchange Commission ("SEC") and is incorporated herein by reference.

Each of the following documents is incorporated by reference (legally considered to be part of the Prospectus/Proxy Statement):

1. Statement of Additional Information, dated [ ], 2017, relating to this Prospectus/Proxy Statement (File No. 811-21235, 333-[ ]) (the "Statement of Additional Information");
2. Annual Report to Shareholders of FPT for the fiscal year ended November 30, 2016, and the Semi-annual Report to Shareholder of FPT for the fiscal period ended May 31, 2017 (File No. 811-21249); and
3. Annual Report to Shareholders of FMN for the fiscal year ended November 30, 2016, and the Semi-annual Report to Shareholder of FMN for the fiscal period ended May 31, 2017 (File No. 811-21235).

Copies of these materials and other information about the Funds may be obtained without charge by writing or calling the Funds at the addresses and telephone numbers shown on the previous pages. You can copy and review information about the Funds at the SEC's Public Reference Room in Washington, D.C. You may obtain information on the operation of the Public Reference Room by calling the SEC at (202)551-8090. Reports and other information about the Funds are available on the EDGAR Database on the SEC's Internet site at www.sec.gov. You may obtain copies of this information, after paying a duplicating fee, by electronic request to the following e-mail address: publicinfo@sec.gov, or by writing the Commission's Public Reference Section, Washington, D.C. 20549-1520.

Important Notice Regarding the Availability of Proxy Materials for the Joint Annual Meeting to Be Held on October [ ], 2017: This Proxy Statement is available on the Internet at the website listed on your proxy card(s). On this website, you also will be able to access the Notice of Joint Annual Meeting, the form of proxy cards and any amendments or supplements to the foregoing materials that are required to be furnished to Shareholders.

On July 14, 2017, FPT commenced a tender offer for up to 20 percent of its outstanding Common Shares for cash at a price equal to 98 percent of NAV determined on the date the tender offer expiration (the "Tender Offer"). The Tender Offer concluded on August [ ], 2017, and FPT purchased, for cash, [ ] of its Common Shares. Although the Tender

Offer and Reorganization are part of a series of actions that were recommended by the Adviser and approved by the Boards (the Tender Offer was approved by the FPT Board only), they are independent transactions and are not dependent or conditioned on one another. This Prospectus/Proxy Statement is neither an offer to purchase nor a solicitation of an offer to sell any shares of FPT. The solicitation and the offer to buy shares of FPT were made pursuant to a Tender Offer Statement on Schedule TO and related materials that FPT filed with the SEC, which contained an offer to purchase and forms of letters of transmittal and other documents relating to the Tender Offer. Those documents contained important information about the Tender Offer. Investors may obtain a free copy of these documents at the SEC's web site at www.sec.gov, by directing a request to Federated Investment Management Company, 4000 Ericsson Drive, Warrendale, Pennsylvania 15086-7561, or by calling 1-800-730-6001.

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED OR DISAPPROVED THESE SECURITIES, OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS/PROXY STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS/PROXY STATEMENT AND IN THE MATERIALS EXPRESSLY INCORPORATED HEREIN BY REFERENCE AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE FUNDS.

SHARES OF THE FUNDS ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. SHARES OF THE FUNDS ARE NOT FEDERALLY INSURED BY, GUARANTEED BY, OBLIGATIONS OF OR OTHERWISE SUPPORTED BY THE U.S. GOVERNMENT, THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENTAL AGENCY. AN INVESTMENT IN THE FUNDS INVOLVES INVESTMENT RISKS, INCLUDING POSSIBLE LOSS OF PRINCIPAL AMOUNT INVESTED.

TABLE OF CONTENTS

PROPOSAL #1 - TO APPROVE THE AGREEMENT AND PLAN OF REORGANIZATION ANd Termination (COMMON AND PREFERRED SHAREHOLDERS of FPT ONLY

Summary

This summary is qualified in its entirety by reference to the additional information contained elsewhere in this Prospectus/Proxy Statement, or incorporated by reference into this Prospectus/Proxy Statement. A form of the Agreement and Plan of Reorganization and Termination (the “Plan”) pursuant to which the reorganization (the “Reorganization”) will be conducted is attached to this Prospectus/Proxy Statement as Annex A. Under the Plan, Federated Premier Intermediate Municipal Income Fund (“FPT”) will be reorganized with and into Federated Premier Municipal Income Fund (“FMN”).

If the proposal is approved and the Shareholders of FMN approve the issuance of additional common shares of FMN (“Share Issuance”) (See “Proposal 2: Issuance of Additional Common Shares of FMN”), on the closing date of the Reorganization (the “Closing Date”), FPT will transfer all, or substantially all, of its assets to FMN in exchange for shares of FMN. FPT will not transfer deferred or prepaid expenses, to the extent that they do not have a continuing value to FMN, and which are not expected to be material in amount. FPT will be required to discharge all of its respective liabilities and obligations prior to consummation of the Reorganization. In doing so, pursuant to a policy reviewed with the Board, FPT will set aside cash to satisfy its liabilities, which cash would be placed in a “closed fund pool” used to pay the expenses and not be transferred to FMN. If, after the Closing Date, additional cash in excess of accrued expenses recorded on FPT’s books on or before the Closing Date are received by or returned to FPT, such amounts would be placed into the closed fund pool to pay expenses or, if all expenses have been paid, amounts that do not impact Shareholders may be retained by the Federated Investment Management Company (“Federated” or the “Adviser”) and its affiliates in accordance with the policy. Any amount impacting Shareholders (i.e., that is not an expense accrual item) should be received by FMN as the surviving fund. Moreover, any amounts received or returned that are not retained by FPT’s Adviser or its affiliates should be remitted to FMN as the surviving fund. FMN is expected to be the accounting survivor of the Reorganization. In exchange for the transfer of these assets, FMN will simultaneously issue to FPT full and fractional (or cash in lieu thereof, to the extent necessary) common shares of beneficial interest, par value $0.01 per share (“Common Shares”), Auction Market Preferred Shares, liquidation preference $25,000 per share (“AMPS”), and Variable Rate Municipal Term Preferred Shares, liquidation preference $25,000 per share (“VMTPS” and together with the AMPS, the “Preferred Shares”) equal in value to the aggregate net asset value (“NAV”) of the Common Shares, AMPS, and VMTPS of FPT, as applicable, calculated as of 4:00 p.m., Eastern time, on the Closing Date (the “Valuation Time”). FMN’s shares will be distributed pro rata by FPT to its Shareholders in complete liquidation and dissolution/termination of FPT.

As a result of the Reorganization, each holder of Common Shares (each a “Common Shareholder”) of FPT will receive newly-issued Common Shares of FMN (and cash in lieu of fractional Common Shares). The aggregate NAV of the FMN Common Shares received by FPT Common Shareholders (including, for this purpose, fractional FMN Common Shares to which FPT Common Shareholders would be entitled) will be equal to the aggregate NAV of FPT Common Shares as of such time. Fractional shares will be aggregated and sold on the open market and Shareholders will receive cash in lieu of such fractional shares (except with respect to FPT Common Shares held in an account under FPT’s dividend reinvestment plan (“FPT DRP account”), for which that Shareholder will receive fractional shares). As a result of the Reorganization, each holder of Preferred Shares (each a “Preferred Shareholder”) of FPT will receive newly issued Preferred Shares of the same class of FMN having substantially similar terms as the respective FPT Preferred Shares. The aggregate liquidation preference of the newly-issued FMN AMPS will equal the aggregate liquidation preference of FPT AMPS. The aggregate liquidation preference of the newly-issued FMN VMTPS will equal the aggregate liquidation preference of FPT VMTPS. The AMPS and VMTPS to be issued in the Reorganization will have equal priority with FMN’s existing outstanding AMPS and VMTPS, respectively, as to the payment of dividends and the distribution of assets in the event of FMN’s liquidation.

If the Reorganization is not approved by Shareholders of FPT, or if the Share Issuance is not approved by FMN's Shareholders, FPT and FMN will continue to operate as standalone closed-end funds advised by the Adviser. In that event, the Boards of Trustees (each a "Board") of the Funds would consider what additional action, if any, to take and each Fund would continue its investment activities in the normal course.

On July 14, 2017, FPT commenced a tender offer for up to 20 percent of its outstanding Common Shares for cash at a price equal to 98 percent of NAV determined on the date the tender offer expiration (the "Tender Offer"). The Tender Offer concluded on August [ ], 2017, and FPT purchased, for cash, [ ] of its Common Shares.

FPT's current leverage level is slightly higher than FMN's leverage level. If the Tender Offer is fully subscribed, FPT's leverage will increase after the completion of the Tender Offer and before the consummation of the Reorganization. At a smaller size, FPT will have less of a cushion with respect to any asset coverage tests for its Preferred Shares and will be relatively more vulnerable to changes in market conditions. The Adviser will closely monitor FPT's leverage after the Tender Offer is completed and before the consummation of the Reorganization. The size of the Tender Offer will affect FMN's leverage levels post-Reorganization. Post-Reorganization, FMN's leverage is expected to rise modestly. If the Reorganization is not approved by Shareholders or if there are significant market changes, the Adviser would revisit the Funds' leverage and evaluate whether it should be decreased.

Shareholder approval of the Reorganization requires the affirmative vote of the outstanding Common Shares and Preferred Shares voting together as a class and the Preferred Shares voting as a separate class. The affirmative vote of the outstanding Common Shares and Preferred Shares voting together as a class, and affirmative vote of the Preferred Shares voting as a separate class, require the lesser of: (a) more than 50% of the outstanding voting securities of FPT; or (b) 67% or more of the voting securities of FPT present at the Joint Annual Meeting if the Shareholders of more than 50% of the outstanding voting securities are present or represented by proxy to vote in favor of the Proposal.

The consummation of the Reorganization is contingent on the satisfaction or waiver of all closing conditions, including approval of Proposal 1 and Proposal 2.

REASONS FOR THE PROPOSED REORGANIZATION

The Funds have identical investment objectives, and the Funds' investment strategies are substantially similar. FPT Common Shares have often traded at a discount to their NAV per Common Share. This means that the market price for FPT Common Shares was often less than the NAV per Common Share. Over the past several years, the Adviser and the Boards of each Fund have regularly analyzed options to address the discount at which the Fund's Common Shares have traded, provide liquidity and enhance Shareholder value. As a result of such consideration, among other things, FPT's Board previously approved a tender offer for the Fund's AMPS and the refinancing of FPT's leverage. In 2017, FPT received a Shareholder proposal and trustee nominations submitted by FPT's largest Shareholder. The Shareholder proposal effectively sought a tender offer for all outstanding Common Shares at a price that is at or close to NAV per Common Share. As part of the Board's ongoing review of available options to potentially reduce the trading discount and enhance Shareholder value, FPT's Board considered, among others options, the Shareholder proposal, a possible tender offer or tender offers, the Reorganization, and a reorganization of FPT into an intermediate municipal open-end fund. After careful consideration of the surrounding circumstances and recommendations by Federated, the Board determined that it would be in the best interests of FPT to conduct the Tender Offer described above and thereafter to reorganize FPT with and into FMN.

The Adviser and the Board of each Fund believe that the Reorganization will provide FPT Shareholders and FMN Shareholders with a combined fund with greater assets resulting in potentially increased portfolio and leverage management flexibility due to a significantly larger asset base of FMN post-Reorganization. The Reorganization also will provide FPT Shareholders with a fund with a stronger overall performance record and substantially similar investment strategy. Among other benefits, the combined larger Fund will likely also provide greater secondary market liquidity. It also allows FPT Shareholders who desire to continue investing in the investment strategy to maintain their investment in a fund with identical investment objectives and substantially similar investment strategies as FPT without diluting their relative interest in the Fund. FMN Shareholders would likely benefit from a more conservative effective duration and broader yield curve diversification than is currently the case at a higher yield level that could not be recreated at today's market yields (given that FPT's assets would be acquired at historical amortized cost). The Adviser believes that a conservative effective duration and yield curve exposure is desirable from a total return and risk management perspective given the expected rise in market yields in the foreseeable future. FMN currently does not anticipate changing its distribution immediately after the Reorganization, although there can be no assurance that this will be the case. The shorter duration may lead to a decrease in the Fund's yield, although the Adviser would seek to carefully manage the yield in order to remain competitive in relation to other long-term leveraged closed end funds.

The proposed Reorganization may benefit Shareholders of each Fund through a narrower discount, and may provide FPT Shareholders with an immediate increase in market value. Historically, FMN's share price has traded much closer to NAV per Common Share than has been the case for FPT. FMN's narrower discount is due, in part, to much greater market acceptance of the long-term, leveraged municipal fund structure relative to the intermediate structure. Long-term, leveraged municipal funds, such as FMN, have tended to pay higher yields than intermediate municipal funds. Reorganizing FPT into FMN and continuing to manage the reorganized fund using FMN's current long-term strategy may benefit FPT shareholders through a narrower discount.

Each Fund will likely recognize operating cost savings and operational efficiencies because certain fees and expenses incurred by each stand-alone Fund prior to the Reorganization (e.g., board-related fees, fees for legal services, accounting, regulatory filings and printing) will be eliminated or reduced and, following the Reorganization, such fees and expenses will be spread over a significantly larger asset base. In addition, the Reorganization will likely provide each Fund with, among other things, better trading volume (which is generally associated with a larger fund) and Common Share trading liquidity, the opportunity for more attractive portfolio characteristics and other benefits associated with a larger portfolio. FPT and FMN are comparatively small. The size disadvantage results in higher fixed costs relative to peers and diminished trading activity for fund shares relative to peers. A larger fund with a significant increase in outstanding shares is highly likely to result in greater trading volume and better common share trading liquidity for all shareholders. A larger fund can also transact in larger blocks, creating transaction cost advantages, and would spread the fixed costs, including the administrative soft and hard costs related to the leveraged structure, across a larger asset base. Lastly, a larger fund may have some flexibility to use tender option bonds as a potential leverage alternative since the position size required for such vehicles could be tolerable from a concentration/diversification standpoint for some portion of fund leverage.

The Adviser currently voluntarily waives fees and reimburses expenses to the extent necessary for the total annual fund operating expenses (as shown in the financial highlights, excluding any interest and trust expenses on inverse floater trusts, interest expense on VMTPS and commission costs on Preferred Shares dividend payments) paid by each Fund not to exceed 0.99%. As a result, to the extent that the Adviser continues the waiver, at least a portion of the reduction in expenses will be offset by a reduction in the amount of fees and/or expenses that the Adviser waives or reimburses.

In addition, the Board of each Fund believes that the Reorganization should ultimately benefit FPT and FMN shareholders by providing, among other things, better trading volume (which is generally associated with a larger fund) and Common Share trading liquidity, the opportunity for more attractive portfolio characteristics and other benefits associated with a larger portfolio.

The Adviser and FPT's largest Shareholder have entered into a standstill agreement (the "Agreement") under which the Shareholder that submitted the Shareholder proposal and trustee nominations agreed to vote or cause to be voted all Shares that the Shareholder has the power to vote or direct the vote of in accordance with the recommendation of the Board regarding the Reorganization and the election of Trustees at the Joint Annual Meeting and to withdraw its Shareholder proposal and nominations. The Shareholder also agreed to revert to passive investing with respect to the

Funds for a period of time. The benefits of the Agreement, include, among other things, potentially lower solicitation costs with respect to achieving quorum at the Joint Annual Meeting and obtaining the required vote for the Reorganization and the potential to reduce the likelihood of contested proxy solicitations for a period of time. In addition, the Agreement helps FPT avoid any potential disruptions to FPT's operations in light of the legal, regulatory and other considerations involved in addressing and responding to the Shareholder proposal and trustee nominations.

Based on the considerations discussed above and the reasons more fully described under "Board Considerations Relating to the Reorganizations," together with other factors and information considered relevant, each Fund's Board, including a majority of the Trustees who are not "interested persons" within the meaning of Section 2(a) (19) of the Investment Company Act of 1940 ("1940 Act"), determined that participation in the Reorganization would be in the best interests of the Fund, and that the interests of the existing Shareholders of the Fund will not be diluted as a result of the Reorganization. Each Fund's Board approved, and FPT's Board is recommending that FPT Shareholders approve the Reorganization of FPT with and into FMN. The approval was made on the basis of each Trustee's judgment after consideration of all of the factors taken as a whole, though individual Trustees may have placed different weight on various factors and assigned different degrees of materiality to various conclusions. If the Reorganization is not approved by Shareholders of FPT, the Board may consider other alternatives.

TAX CONSEQUENCES

Tax-Free Reorganization under the Code

As a condition to the Reorganization, each Fund will receive an opinion of counsel that the Reorganization should be considered a tax-free "reorganization" under applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that no gain or loss should be recognized directly as a result of the Reorganization by the Fund or by FPT's Shareholders (except with respect to cash received in lieu of fractional shares). The aggregate tax basis of the Shares of FMN received by FPT Shareholders should be the same as the aggregate tax basis of their shares in FPT. Shareholders of FPT should consult their tax advisors regarding the federal, state and local tax treatment and implications of the Reorganization in light of their individual circumstances. For further discussion, see "Information about the Reorganization-Federal Income Tax Consequences."

THE BOARD OF TRUSTEES OF FPT UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL OF THE REORGANIZATION

Comparison of INVESTMENT OBJECTIVES, POLICIES, and risks

This section will help you compare the investment objectives and policies of the Funds. Each Fund is closed-end investment company registered under the 1940 Act and was organized as a Delaware statutory trust. Each Fund also is classified as "diversified," as such term is defined in the 1940 Act. The investment objectives and policies of FPT and FMN are substantially similar. The Funds have the same investment adviser and portfolio managers. The members of each Fund's Board of Trustees also are identical.

Investment objectives and policies

The investment objective of FPT and FMN are identical. Each Fund seeks is to provide current income exempt from federal income tax, including the alternative minimum tax ("AMT"). The investment strategies of the Funds are substantially similar. The only difference between FPT and FMN's investment strategies is that FPT, under normal circumstances, maintains a dollar-weighted average effective portfolio maturity of three to ten years and a dollar-weighted average duration of three to eight years, while FMN maintains a dollar weighted average stated portfolio maturity of ten to thirty years and a dollar weighted average duration of thirteen years or less.

FPT's average effective portfolio maturity represents an average based on the actual stated maturity dates of the debt securities in each Fund, except that: (1) variable-rate securities are deemed to mature at the next interest-rate adjustment date, unless subject to a demand feature; (2) variable-rate securities subject to a demand feature are deemed to mature on the longer of the next interest-rate adjustment date or the date on which principal can be recovered through demand; (3) floating-rate securities subject to a demand feature are deemed to mature on the date on which the principal can be recovered through demand; and (4) securities being hedged with futures contracts may be deemed to have a longer maturity, in the case of purchases of futures contracts, and a shorter maturity, in the case of sales of futures contracts, than they would otherwise be deemed to have. The average portfolio maturity of each Fund is dollar-weighted based upon the market value of the Fund's securities at the time of calculation. FMN's average stated portfolio maturity is determined based on the actual stated maturity dates of the debt securities in the Fund's portfolio whether or not a security is subject to redemption at the option of the issuer prior to the security's stated maturity.

Each Fund invests primarily in securities that, in the opinion of counsel to the issuer, or on the basis of another authority believed by the Adviser to be reliable, pay interest exempt from federal income tax, including AMT. The Funds normally invests substantially all (at least 90%) of their total assets in tax-exempt securities. The Funds invest at least 80% of their total assets in investment grade tax-exempt securities. Investment grade tax-exempt securities are those rated within the four highest categories by a nationally recognized statistical rating organization ("NRSRO"). The Funds may invest up to 20% of their total assets in tax-exempt securities of below investment grade quality (but not lower than B, including modifiers, sub-categories or gradations). The presence of a ratings modifier, sub-category, or gradation (for example, a (+) or (-)) is intended to show relative standing within the major rating categories and does not affect the security credit rating for purposes of the Fund's investment parameters. Tax-exempt securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal and are commonly referred to as "junk bonds."

The Adviser determines whether a security is investment grade based upon the credit ratings given by one or more NRSROs, such as Standard & Poor's ("S&P"), Moody's Investors Service ("Moody's") or Fitch, Inc. ("Fitch"). For example, S&P assigns ratings to investment grade securities (AAA, AA, A and BBB) based on their assessment of the likelihood of the issuer's inability to pay interest or principal (default) when due on each security. Lower credit ratings correspond to higher credit risk. Securities in the lowest investment grade category may be considered to possess speculative characteristics by certain NRSROs. An NRSRO's rating categories are determined without regard for sub-categories and gradations. If a security is downgraded below investment grade, the Adviser will reevaluate the security, but will not be required to sell it. If a security has not received a rating, the Fund must rely entirely upon the Adviser's credit assessment.

The following chart summarizes the investment objectives and policies of FPT and FMN. Please be aware that the foregoing is only a summary, and this section is only a brief discussion.

FPT (Reorganizing Fund)	**FMN (Acquiring Fund)**
The Fund's investment objective is to provide current income exempt from federal income tax, including AMT.	Same.
The Fund will invest primarily in securities that, in the opinion of counsel to the issuer, or on the basis of another authority believed by the Adviser to be reliable, pay interest exempt from federal income tax, including AMT. The Fund normally invests substantially all (at least 90%) of its total assets in tax-exempt securities. The Fund will invest at least 80% of its total assets in investment grade tax-exempt securities. Investment grade tax-exempt securities are those rated within the four highest categories by a NRSRO.	Same.
The Fund may invest up to 20% of its total assets in tax-exempt securities of below investment grade quality (but not lower than B). Tax-exempt securities of below investment grade quality are regarded as having predominately speculative	Same.

characteristics with respect to the issuer's capacity to pay interest and repay principal and are commonly referred to as "junk bonds."	
Under normal circumstances, the Fund will maintain a dollar-weighted average effective portfolio maturity of three to ten years and a dollar-weighted average duration of three to eight years.	Under normal circumstances, the Fund will maintain a dollar-weighted average stated portfolio maturity of ten to thirty years and a dollar-weighted average duration of thirteen years or less.
The Fund may use derivative contracts for risk management purposes. The Fund may leverage the portfolio by investing up to 10% of its total assets in inverse floaters and by investing in derivative contracts. The Fund's use of derivative contracts will be limited by the 1940 Act.	Same.

Comparison of Risks

The Funds have identical investment objectives and substantially similar investment strategies. Accordingly, the principal risks of each Fund are substantially similar. The principal investment risks of both Funds are summarized in the chart below.

FPT (Reorganizing Fund)	**FMN (Acquiring Fund)**
<u>Market Discount Risk:</u> Shares of closed-end management investment companies frequently trade at a discount from their NAV.	Same.
<u>Interest Rate Risk:</u> Prices of fixed-income securities (including tax-exempt securities) rise and fall in response to changes in interest rates. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as the demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the prices of other securities rise or remain unchanged. The longer the duration of a fixed-income security, the more susceptible it is to interest rate risk. Recent and potential future changes in monetary policy made by central banks and/or their governments are likely to affect the level of interest rates. Duration measures the price sensitivity of a fixed-income security given a change in interest rates.	
The impact of interest rate changes on the value of floating rate investments is typically reduced by periodic interest rate resets. Variable and floating rate loans and securities generally are less sensitive to interest rate changes, but may decline in value if their interest rates do not rise as much or as quickly as interest rates in general. Conversely, variable and floating rate securities generally will not increase in value as much as fixed rate debt instruments if interest rates decline. Certain of the Fund's investments may also be valued, in part, by reference to the relative relationship between interest rates on tax-exempt securities and taxable securities. With respect to the Fund's investments described in the preceding sentence, the value of such Fund investments may be negatively affected (or positively affected) when the market for tax-exempt securities underperforms (or outperforms) the market for taxable securities.	Same.
<u>Credit Risk:</u> It is possible that interest or principal on securities will not be paid when due. Noninvestment-grade securities generally have a higher default risk than investment-grade securities. Such non-payment or default may reduce the value of the Fund's portfolio holdings, its share price and its performance.	Same.

Many fixed-income securities (including tax-exempt securities) receive credit ratings from NRSROs such as Fitch Rating Service, Moody's Investor Services, Inc. and Standard & Poor's that assign ratings to securities by assessing the likelihood of an issuer and/or guarantor default. Higher credit ratings correspond to lower perceived credit risk and lower credit ratings correspond to higher perceived credit risk. Credit ratings may be upgraded or downgraded from time to time as an NRSRO's assessment of the financial condition of a party obligated to make payments with respect to such securities and credit risk changes. The impact of any credit rating downgrade can be uncertain. Credit rating downgrades may lead to increased interest rates and volatility in financial markets, which in turn could negatively affect the value of the Fund's portfolio holdings, its share price and its investment performance. Credit ratings are not a guarantee of quality. Credit ratings may lag behind the current financial conditions of the issuer and/or guarantor and do not provide assurance against default or other loss of money. Credit ratings do not protect against a decline in the value of a security. If a security has not received a rating, the Fund must rely entirely upon the Adviser's credit assessment. Fixed-income securities generally compensate for greater credit risk by paying interest at a higher rate. The difference between the yield of a security and the yield of a U.S. Treasury security or other appropriate benchmark with a comparable maturity (the "spread") measures the additional interest paid for risk. Spreads may increase generally in response to adverse economic or market conditions. A security's spread may also increase if the security's rating is lowered, or the security is perceived to have an increased credit risk. An increase in the spread will cause the price of the security to decline.	
Leverage Risk: The use of leverage through the issuance of Preferred Shares creates an opportunity for increased income that may be distributed as Common Share dividends, but also creates special risks for Common Shareholders. Two major types of risks created by leverage include: · the likelihood of greater volatility of NAV and market price of Common Shares, because changes in the value of the Fund's tax-exempt security portfolio (including securities bought with the proceeds of the Preferred Shares offering) are borne entirely by Common Shareholders; and the possibility either that Common Share income will fall if the Preferred Share dividend rate rises, or that Common Share income will fluctuate because the Preferred Share dividend rate varies. Dividends on Preferred Shares generally are based on shorter-term tax-exempt security yields (which will be reset periodically) and that the Fund will invest the proceeds of the Preferred Shares offering in long-term, typically fixed rate, tax-exempt securities. So long as the Fund's tax-exempt security portfolio provides a higher yield, net of Fund expenses, than the Preferred Share dividend rate, as reset periodically, the leverage may cause Common Shareholders to receive higher dividends than if the Fund were not leveraged. However, the Fund's leveraging strategy may not be successful. For example, if short-term rates rise, the Preferred Share dividend rate could exceed the yield on long-term tax-exempt securities held by the Fund that were acquired during periods of generally lower interest rates, reducing dividends to Common Shareholders. In addition, if interest rates rise, the value of the Fund's holdings in long-term tax-exempt securities likely will fall, resulting in a decline in the NAV of Common Shares. Investment by the Fund in inverse floaters and derivative contracts may increase the Fund's leverage and, during periods of rising interest rates, may adversely affect the Fund's income, dividends and total returns to Common Shareholders. Preferred Shares are expected to pay cumulative dividends, which may tend to increase leverage risk.	Same. (As discussed above in Proposal 1, FPT's current leverage level is slightly higher than FMN's leverage level. Post-Reorganization, FMN's leverage is expected to rise modestly.)

Because the fees received by the Adviser are based on the Managed Assets of the Fund (including assets represented by Preferred Shares and any leverage created thereby), the Adviser has a financial incentive for the Fund to issue Preferred Shares, which may create a conflict of interest between the Adviser and Common Shareholders.	
Risks Associated with Non-Investment Grade Securities: Securities that are rated below investment grade or unrated securities of comparable quality (i.e., noninvestment-grade securities), also known as junk bonds, generally entail greater economic, credit and liquidity risks than investment-grade securities. For example, their prices are more volatile, economic downturns and financial setbacks may affect their prices more negatively, and their trading market may be more limited.	Same.
Tax Risk Exempt Securities Risk: The amount of public information available about tax-exempt securities is generally less than for corporate equities or bonds. The secondary market for tax-exempt securities also tends to be less well-developed and less liquid than many other securities markets, which may limit the Fund’s ability to sell its tax-exempt securities at attractive prices. Special factors, such as legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of the Fund’s investments in tax-exempt securities. Tax-exempt issuers can and have defaulted on obligations, been downgraded or commenced insolvency proceedings. Like other issuers and securities, the likelihood that the credit risk associated with such issuers and such securities will increase is greater during times of economic stress and financial instability.	Same.
Derivative Contract and Inverse Floater Risk: The securities in which the Fund invests may include those issued by state or local governments, other political subdivisions or authorities, or directly or indirectly supported by taxes, assessments, tolls, fees or other revenue collected by or otherwise derived from or through such issuers. The amount of public information available about tax-exempt securities is generally less than for corporate equities or bonds. The secondary market for tax-exempt securities also tends to be less well-developed and less liquid than many other securities markets, which may limit the Fund's ability to sell its tax-exempt securities at attractive prices. Special factors, such as legislative changes, and state and local economic and business developments, may adversely affect the yield and/or value of the Fund's investments in tax-exempt securities. Other factors include the general conditions of the tax-exempt securities market, the size of the particular offering, the maturity of the obligation and the rating of the issue. Like other issuers, there is no guarantee that the issuers of such securities will have sufficient revenues to satisfy their obligations (such as, for example, the payment of interest or principal when due). Legal, economic, political or other developments may raise impairments (such as, for example, limitations under applicable law on the issuer's authority to raise taxes, prolonged budgetary processes, declining real estate values, increasing pension liabilities or declining tax revenues which may occur due to shifting demographics or other factors) to such issuer's budgetary flexibility, liquidity and ability to satisfy its obligations. Such impairments may cause a downgrade in the credit ratings of such an issuer, or the securities issued or supported by it, and may cause such an issuer to defer payment of certain obligations, reduce or eliminate appropriations and/or default on its obligations. Tax-exempt issuers can and have defaulted on obligations, been downgraded or commenced insolvency proceedings. Financial difficulties of such issuers may continue or get worse. Like other issuers and securities, the likelihood that the credit risk associated with such issuers and such securities will increase is greater during times of economic stress and financial instability. As a result, in such situations, there would be heightened risk that there could be an interruption in payments to holders of tax-exempt securities in some cases. There also could be a reduction in the market value of the tax-exempt securities held by the Fund, which could adversely affect the Fund's net asset value or the distributions paid by the Fund.	Same.

To the extent that the Fund invests a larger portion of its assets in the tax-exempt securities of a particular state or U.S. territory or possession, there is greater risk that political, regulatory, economic or other developments within that state or U.S. territory or possession may impact on the Fund's investment performance.	
Reinvestment Risk: Income from the Fund's tax-exempt security portfolio will decline if and when the Fund invests the proceeds from matured, traded or called tax-exempt securities at market interest rates that are below the portfolio's current earnings rate. A decline in income could affect the market price or overall return of Common Shares.	Same.
Tax Risk: In order to pay interest that is exempt from federal regular income tax, tax-exempt securities must meet certain legal requirements. Failure to meet such requirements may cause the interest received and distributed by the Fund to shareholders to be taxable. Changes or proposed changes in federal, state or local tax laws may cause the prices of tax-exempt securities to fall and/or may affect the tax-exempt status of the securities in which the Fund invests. The federal income tax treatment of payments in respect of certain derivative contracts is unclear. Additionally, the Fund may not be able to close out certain derivative contracts when it wants to. The Fund also may invest in market discount bonds, enter into credit default swap arrangements and other derivative transactions, and engage in other permissible activities that will likely cause the Fund to realize a limited amount of ordinary income or short-term capital gains (which are treated as ordinary income for federal income tax purposes). Consequently, for each of these reasons, the Fund may receive payments, and make distributions, that are treated as ordinary income for federal income tax purposes. Income from the Fund also may be subject to AMT.	Same.
Sector Risk: The Fund may invest 25% or more of its total assets in tax-exempt securities of issuers in the same economic sector, such as hospitals or life care facilities and transportation-related issuers. In addition, a substantial part of the Fund's portfolio may be comprised of securities credit enhanced by banks, insurance companies or companies with similar characteristics. As a result, the Fund will be more susceptible to any economic, business, political or other developments which generally affect these sectors and entities.	Same.
Anti-Takeover Provisions: The Fund's Agreement and Declaration of Trust includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could deprive Common Shareholders of opportunities to sell their Common Shares at a premium over the then current market price of Common Shares or at NAV. In addition, if the Fund issues Preferred Shares, Preferred Shareholders will have voting rights that could deprive Common Shareholders of such opportunities	Same.
Inflation Risk: Inflation risk is the risk that the value of assets or income from the Fund's investments will be worth less in the future as inflation decreases the present value of payments at future dates.	Same.
Technology Risk: The Adviser uses various technologies in managing the Fund, consistent with its investment objective and strategy described in this Prospectus/Proxy Statement. For example, proprietary and third-party data and systems are utilized to support decision making for the Fund. Data imprecision, software or other technology malfunctions, programming inaccuracies and similar circumstances may impair the performance of these systems, which may negatively affect Fund performance. The shares offered by this Prospectus/Proxy Statement are not deposits or obligations of any bank, are not endorsed or guaranteed by any bank and are not insured or guaranteed by the U.S. government, the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other government agency.	Same.
	Same.

Call Risk: The tax-exempt securities in which the Fund may invest can be principal investment strategies for the Fund and may be subject to call risk. Call risk is the possibility that an issuer may redeem a fixed-income security (including a tax-exempt security) before maturity (a "call") at a price below or above its current market price. An increase in the likelihood of a call may reduce the security's price. If a fixed-income security is called, the Fund may have to reinvest the proceeds in other fixed-income securities with lower interest rates, higher credit risks or other less favorable characteristics.

COMPARISON OF INVESTMENT LIMITATIONS

The following fundamental investment limitations of each Fund may not be changed by the Fund's Board without the approval of the holders of a majority of (1) the outstanding Common Shares and Preferred Shares voting together as a class, and (2) the outstanding Preferred Shares voting as a separate class. The Funds also are subject to the following non-fundamental investment limitations, which may be changed by the Fund's Board without Shareholder approval. The following charts compare the fundamental and non-fundamental limitations of FPT and FMN.

Fundamental Investment Limitations

FPT (Reorganizing Fund)	**FMN (Acquiring Fund)**
Investment Policy (Fundamental) The Fund will invest its assets so that at least 80% of the income that it distributes will be exempt from federal income tax, including AMT.	**Investment Policy (Fundamental)** Same
Concentration (Fundamental)[1] The Fund will not make investments that will result in the concentration of its investments in the securities of issuers primarily engaged in the same industry, but may invest more than 25% of its total assets in securities of issuers in the same economic sector.	**Concentration (Fundamental)**[1] Same
Diversification of Investments (Fundamental) With respect to securities comprising 75% of the value of its total assets, the Fund will not purchase the securities of any one issuer (other than cash, cash items, securities issued or guaranteed by the government of the United States or its agencies or instrumentalities and repurchase agreements collateralized by such U.S. government securities, and securities of other investment companies) if as a result more than 5% of the value of its total assets would be invested in the securities of that issuer, or it would own more than 10% of the outstanding voting securities of that issuer.	**Diversification of Investments (Fundamental)** Same
Underwriting(Fundamental) The Fund will not underwrite any issue of securities, except as it may be deemed to be an underwriter under the Securities Act of 1933 in connection with the sale of securities in accordance with its investment objective, policy and limitations.	**Underwriting(Fundamental)** Same
Investing in Real Estate (Fundamental) The Fund will not buy or sell real estate, although it may invest in tax-exempt securities secured by real estate or interests in real estate.	**Investing in Real Estate (Fundamental)** Same
Investing in Commodities (Fundamental)	**Investing in Commodities**

The Fund may not purchase or sell physical commodities, provided that the Fund may purchase securities of companies that deal in commodities. For purposes of this restriction, investments in transactions involving futures contracts and options, swap transactions and other financial contracts that settle by payment of cash are not deemed to be investments in commodities.	**<u>(Fundamental)</u>** Same
<u>Lending (Fundamental)</u> The Fund will not make loans, but may acquire publicly or non-publicly issued tax-exempt securities as permitted by its investment objective, policy and limitations.	**<u>Lending (Fundamental)</u>** Same
<u>Borrowing Money and Issuing Senior Securities (Fundamental)</u> The Fund may borrow money, directly or indirectly, and issue senior securities to the maximum extent permitted under the 1940 Act.	**<u>Borrowing Money and Issuing Senior Securities (Fundamental)</u>** Same
<u>Purchases on Margin (Fundamental)</u> The Fund will not purchase securities on margin (but the Fund may obtain such short-term credits as may be necessary for the clearance of purchases and sales of securities). The purchase of investment assets with the proceeds of a permitted borrowing or securities offering will not be deemed to be the purchase of securities on margin.	**<u>Purchases on Margin (Fundamental)</u>** Same

[1] *For purposes of applying the concentration limitation, securities of the U.S. government, its agencies or instrumentalities and securities backed by the credit of a governmental entity are not considered to represent industries. However, obligations backed only by the assets and revenues of non-governmental issuers may for this purpose be deemed to be issued by such non-governmental issuers. Thus, the 25% limitation would apply to such obligations. For the purpose of applying the concentration limitation, a non-governmental issuer is deemed the sole issuer of a security when its assets and revenues are separate from other governmental entities and its securities are backed only by its assets and revenues. Similarly, in the case of a non-governmental issuer, such as an industrial corporation or a privately owned or operated hospital, if the security is backed only by the assets and revenues of the non-governmental issuer, then such non-governmental issuer would be deemed to be the sole issuer. Where a security is also backed by the enforceable obligation of a superior or unrelated governmental or other entity other than a bond insurer, it will also be included in the computation of securities owned that are issued by such governmental or other entity. Where a security is guaranteed by a governmental entity or some other facility, such as a bank guarantee or of credit, such a guarantee or letter of credit would be considered a separate security and would be treated as an issue of such government, other entity or bank.*

Non-Fundamental Investment Limitations

<u>Short Sales (Non-Fundamental)</u> The Fund will not make any short sale of securities except in conformity with applicable laws, rules and regulations and unless after giving effect to such sale, the market value of all securities sold short does not exceed 25% of the value of the Fund's total assets and the Fund's aggregate short sales of a particular class of securities does not exceed 25% of the then outstanding securities of that class.	**<u>Short Sales (Non-Fundamental)</u>** Same
<u>Investing in Other Investment Companies (Non-Fundamental)</u> The Fund may purchase securities of open-end or closed-end investment companies in compliance with the 1940 Act or any exemptive relief obtained thereunder.	**<u>Investing in Other Investment Companies (Non-Fundamental)</u>** Same
<u>Exercise of Control (Non-Fundamental)</u>	

The Fund will not purchase securities of companies for the purpose of exercising control.	**Exercise of Control (Non-Fundamental)** Same

COMPARATIVE FEE TABLES

Each Fund incurs certain expenses in its operations. These expenses include management fees, as well as the cost of maintaining accounts, administration, and other operating expenses.

FPT Shareholders will not pay any sales charges in connection with the Reorganization.

Set forth in the tables below is information regarding the fees and expenses incurred by FPT and FMN, and the anticipated pro forma fees for shares of FMN after giving effect to the Reorganization.

Fees and Expenses

The tables below describe the fees and expenses that you pay if you buy and hold shares of FPT and the pro forma fees and expenses that you may pay if you buy and hold shares of FMN after giving effect to the Reorganization. Expenses for each Fund are based on the operating expenses incurred by FPT and FMN as of the year ended May 31, 2017. The pro forma fees and expenses for shares of FPT and FMN assume that FPT's Tender Offer was fully subscribed and completed and the Reorganization had been in effect for the same period. The Adviser and certain of its affiliates on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses for at least one year from the date of this Prospectus/Proxy Statement. The total annual fund operating expenses (as shown in the financial highlights, excluding any interest and trust expenses on inverse floater trusts, interest expense on VMTPS and commission costs on Preferred Shares dividend payments) paid by each Fund will not exceed 0.99%. While the Adviser and its applicable affiliates currently do not anticipate seeking to terminate or increase these arrangements for at least one year from the date of this Prospectus/Proxy Statement, no assurance can be given that future total annual operating expenses thereafter will not be more or less than 0.99%.

Shareholder Fees

(fees paid directly from your investment)

FPT	FMN	Pro Forma Combined Fund
Not Applicable.	Not Applicable.	Not Applicable.

Annual Fund Operating Expenses (as a percentage of net assets attributable to Common Shares)	**FPT**	**FMN**	**Pro Forma Combined Fund**
Management Fee[1]	0.89%	0.87%	0.91%[2]
Other Expenses	0.41%	0.43%	0.30%
Total Annual Fund Operating Expenses (before fee waivers and/or expense reimbursement)	1.30%	1.30%	1.21%

Fee Waivers and/or Expense Reimbursements[3]	(0.31)%	(0.31)%	(0.22)%
Total Annual Fund Operating Expenses After Fee Waivers and/or Expense Reimbursements	0.99%	0.99%	0.99%

[1] Each Fund's investment management agreement with the Adviser provides for an annual management fee, payable daily, at the annual rate of 0.55% of the Fund's managed assets, which include assets purchased with the proceeds of Preferred Share offerings. The fee in the table above reflects the management fee as a percentage of just the assets attributable to Common Shareholders.

[2] This assumes that FPT's Tender Offer is fully subscribed. If the Tender Offer is fully subscribed and the Reorganization is consummated, the combined Fund's leverage ratio will be slightly higher than either of FPT's or FMN's leverage ratios as of May 31, 2017. As a result, FMN's management fees as a percentage of assets attributable to Common Shareholders will increase after the Reorganization. However, due to Federated's voluntary fee waivers, the overall expense ratio for the combined Fund will not increase.

[3] The total annual fund operating expenses (excluding any interest and trust expenses on inverse floater trusts, interest expense on VMTPS and commission costs on Preferred Shares dividend payments) paid by each Fund will not exceed 0.99% (the "Fee Limit"), for at least one year from the date of this Prospectus/Proxy Statement (the "Termination Date"). While the Adviser and its affiliates currently do not anticipate seeking to terminate or increase these arrangements prior to the Termination Date, these arrangements may only be terminated or the Fee Limit increased prior to the Termination Date with the agreement of the Fund's Board of Trustees.

Example

This Example is intended to assist you in understanding the various costs and expenses that you will bear directly or indirectly.

The Example assumes that you invest $10,000 in a Fund's shares for the time periods indicated and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that each Fund's Total Annual Fund Operating Expenses (before fee waivers and/or expense reimbursement) as shown in the table above remains the same. Although your actual costs and returns may be higher or lower, based on these assumptions your costs would be:

	1 Year	**3 Years**	**5 Years**	**10 Years**
FPT[1]	$12.92	$38.25	$62.93	$121.87
FMN [1]	$12.72	$37.67	$61.99	$120.10
FMN - Pro Forma Combined[1]	$12.03	$35.65	$58.71	$113.94

[1] *Transactions in Common Shares may be subject to broker fees because the shares are traded on a national stock exchange. The table refers only to expenses charged to Shareholders by the Funds. Accordingly, the costs to investors of investing in shares may be higher than indicated.*

PORTFOLIO TURNOVER

Each Fund may pay transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover rate may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in Annual Fund Operating Expenses or in the Example, affect the Fund's performance. During the most recent fiscal year, portfolio turnover rates for each of FPT and FMN were 17% and 11%, respectively, of the average value of each Fund.

Comparison of POTENTIAL RISKS AND RETURNS: PERFORMANCE INFORMATION

The performance information shown below will help you analyze FPT's and FMN's investment risks in light of their historical returns. The bar charts provide an indication of the risks of investing in FPT and FMN by showing the variability of each Fund's performance on a calendar year-to-year basis.

The average annual total return tables show returns averaged over the stated periods, and include comparative performance information. The tables show how FPT's and FMN's average annual total returns for one year and since inception compare to the returns of a broad-based securities market index. Index returns do not reflect taxes, sales charges, expenses or other fees that the SEC requires to be reflected in a Fund's performance. The indices are unmanaged and, unlike the Funds, are not affected by cash flows. It is not possible to invest directly in the indexes.

Risk/Return Bar Chart and Table

The bar charts and the performance tables below provide some indication of the risks of investing in each Fund by showing changes in the Fund's performance from year to year and by showing how the Fund's average annual returns for the one-, five, and ten-year periods through December 31, 2016 compared to the returns of a broad-based market index. Past performance is not an indication of future performance. FPT's total return based on its NAV and market price for the year-to date ended May 31, 2017 was 6.48% and 8.65%, respectively. FMN's total return based on its NAV and market price for the year-to date ended May 31, 2017 was 6.44% and 4.14%, respectively.

FPT - Calendar Year Total Returns

(For the Period Ended December 31, 2016)

Best quarter (% and time period)	Worst quarter (% and time period)
14.35% (June 30, 2009)	-15.75% (September 30, 2008)

FMN - Calendar Year Total Returns

(For the Period Ended December 31, 2016)

Best quarter (% and time period)	Worst quarter (% and time period)
31.06% (March 31, 2009)	-22.34% (September 30, 2008)

Average Annual Total Return Table

(For the Period Ended December 31, 2016)

	Average Annual Total Return on Market Value		
	One Year	Five Years	Ten Years
FPT NAV	-0.81%	4.15%	4.86%
FPT Market Price	-1.46%	3.56%	4.97%
S&P Municipal Bond Intermediate Index	0.16%	2.91%	4.43%
FMN NAV	-0.66%	6.68%	6.21%
FMN Market Price	-1.07%	4.59%	5.75%
S&P Municipal Bond Index	0.77%	3.55%	4.20%

Information About The Reorganization

DESCRIPTION OF THE AGREEMENT AND PLAN OF REORGANIZATION and termination

The Agreement and Plan of Reorganization and Termination ("Plan"), a copy of which is attached as Annex A to this Prospectus/Proxy Statement, provides for the Reorganization to occur on the Closing Date, which is expected to occur in the fourth quarter of 2017. The Reorganization will consist of: (i) the transfer of all or substantially all of the assets of FPT, which offers Common Shares, AMPS, and VMTPS in exchange solely for Common Shares, par value $0.01 per share, of FMN AMPS, liquidation preference $25,000 per share, of FMN, and VMTPS, liquidation preference $25,000 per share, of FMN; (ii) the distribution of the shares of FMN (Common Shares, AMPS and VMTPS) to the holders of the outstanding shares of FPT (Common Shares, AMPS and VMTPS, respectively); and (iii) the liquidation and dissolution/termination of FPT, all upon the terms and conditions set forth in the Plan. No fractional FMN Common Shares will be issued to the holders of FPT Common Shares. With respect to the aggregation and sale of fractional Common Shares, FMN's transfer agent will act directly on behalf of the Shareholders entitled to receive fractional Shares and will accumulate fractional Shares (other than the fractional share held in a FPT DRP account), sell the shares on the NYSE, and distribute the cash proceeds net of brokerage commissions, if any, directly to Shareholders entitled to receive the fractional Common Shares (without interest and subject to withholding taxes). For federal income tax purposes, Shareholders will be treated as if they received fractional share interests and then sold such interests for cash. The holding period and the aggregate tax basis of fractional share interests deemed received by a Shareholder will be the same as the holding period and aggregate tax basis of FPT Common Shares previously held by the Shareholder that were converted into FMN Common Shares, provided FPT Common Shares were held as capital assets.

On the Closing Date, FPT will transfer all, or substantially all, of its assets to FMN in exchange for shares of FMN. FPT will not transfer deferred or prepaid expenses, to the extent that they do not have a continuing value to FMN, and which are not expected to be material in amount. FPT will be required to discharge all of its respective liabilities and obligations prior to consummation of the Reorganization. In doing so, pursuant to a policy reviewed with the Board, FPT will set aside cash to satisfy its liabilities, which cash would be placed in a "closed fund pool" used to pay the expenses and not be transferred to FMN. If, after the Closing Date, additional cash in excess of accrued expenses recorded on FPT's books on or before the Closing Date are received by or returned to FPT, such amounts would be placed into the closed fund pool to pay expenses or, if all expenses have been paid, amounts that do not impact Shareholders may be retained by the Adviser and its affiliates in accordance with the policy. Any amount impacting Shareholders (i.e., that is not an expense accrual item) should be received by FMN as the surviving fund. Moreover, any amounts received or returned that are not retained by FPT's Adviser or its affiliates should be remitted to FMN as the surviving fund. FMN is expected to be the accounting survivor of the Reorganization. In exchange for the transfer of these assets, FMN will simultaneously issue to FPT full (or cash in lieu of fractional shares, to the extent necessary) Common Shares, AMPS, and VMTPS equal in value to the aggregate NAV of the Common Shares, AMPS, and VMTPS of FPT, as applicable, calculated as of the Valuation Time. FMN's shares will be distributed pro rata by FPT to its Shareholders in complete liquidation and dissolution/termination of FPT.

The value of FPT's assets to be acquired by FMN shall be the value of such assets at the Closing Date of the Reorganization using FMN's valuation procedures (see "Additional Information about the Funds -- Investment Valuation"). The Funds valuation procedures are identical. Consequently, it is not anticipated that the use of FMN s valuation procedures will result in a material revaluation of FPT's assets at the time of the Reorganization. If a Fund cannot obtain a price or price evaluation from a pricing service for an investment, the Fund 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 Fund uses the fair value of the investment determined in accordance with the Fund's fair valuation procedures described in the accompanying SAI. Derivative contracts listed on exchanges are valued at their reported settlement or closing price, except that options are valued at the mean of closing bid and asked quotations. Over-the-counter derivative contracts are fair valued using price evaluations provided by various pricing services approved by the Board.

Following the transfer of its assets in exchange for shares of FMN, FPT will distribute shares of FMN pro rata to FPT Shareholders of record in complete liquidation of FPT. Shareholders of FPT owning shares on the Closing Date of the Reorganization will receive that number of shares of FMN which have the same aggregate value as the Shareholder had in FPT immediately before the Reorganization. This distribution will be accomplished by the establishment of accounts in the names of FPT's Shareholders on the share records of FMN s transfer agent. FMN does not issue share certificates to Shareholders. Following the consummation of the Reorganization, FPT will deregister from the SEC and be dissolved and terminated.

The transfer of Shareholder accounts from FPT to FMN will occur automatically. It is not necessary for FPT Shareholders to take any action to effect the transfer.

The Plan contains customary representations, warranties and conditions. The Plan provides that the consummation of the Reorganization is conditioned upon, among other things: (i) approval of the Reorganization by FPT's Shareholders; (ii) approval of the Share Issuance by FMN's Shareholders (see "Proposal 2--Issuance of Additional Common Shares of FMN"); and (iii) the receipt by FPT and FMN of an opinion to the effect that the Reorganization should be tax-free to FPT, its Shareholders and FMN. No gain or loss should be recognized by a Shareholder of FPT who exchanges all of its Common Shares solely for Common Shares of FMN pursuant to the Reorganization (except with respect to cash received in lieu of fractional shares).The Plan may be terminated if, before the Closing Date, any of the required conditions have not been met, the representations and warranties are not true, or either Fund's Board determines that the Reorganization is not in the best interests of the Shareholders of the Fund.

Board Considerations Relating to the Reorganization

Each Fund's Board considered the potential benefits and costs of the Reorganization to the Fund and its Shareholders. In this regard, each Fund's Board reviewed detailed information regarding the Fund, as described herein and as required by Rule 17a-8 under the 1940 Act. In determining that participation in the Reorganization is in the best interests of a Fund, and in approving the Plan, the Fund's Board considered a number of factors, including, without limitation, the following:

· The Board regularly evaluates the difference between its Fund's market price per Common Share and its NAV per Common Share and considered whether measures to address any trading discount would be in the best interests of the Fund. FPT's Board has previously taken steps to enhance Shareholder value by approving a tender offer for FPT's AMPS, refinancing FPT's leverage and approving the Tender Offer in connection with the Reorganization proposal. The Tender Offer will provide a liquidity opportunity and a potential alternative to the Reorganization if desired as Common Shareholders could exit at least a portion of their position in FPT prior to the Reorganization at a price close to NAV.

- Alternatives to the Reorganization (and the Tender Offer) to enhance Shareholder value and the advantages of the Reorganization (and the Tender Offer) as compared to these other available options.
- The investment goals of FPT and FMN are identical and that the investment strategies, policies and limitations of FPT and FMN are substantially similar. Each Fund invests substantially all (at least 90%) of its total assets in tax-exempt securities, albeit the primary difference between FPT's and FMN's investment strategies is that FPT, under normal circumstances, maintains a dollar-weighted average effective portfolio maturity of three to ten years and a dollar-weighted average duration of three to eight years, while FMN maintains a dollar weighted average stated portfolio maturity of ten to thirty years and a dollar weighted average duration of thirteen years or less. Each Fund normally invests at least 80% of its total assets in investment grade tax-exempt securities. Each Fund also may invest up to 20% of its total assets in tax-exempt securities of below investment grade quality. See Summary - Comparison of Investment Objectives, Policies, and Risks."
- FMN Shareholders would likely benefit from a more conservative effective duration and broader yield curve diversification than is currently the case at a higher yield level that could not be recreated at today's market yields (given that FPT's assets would be acquired at historical amortized cost). The Adviser believes that a conservative effective duration and yield curve exposure is desirable from a total return and risk management perspective given the expected rise in market yields in the foreseeable future. It was noted that FMN's current Shareholders may experience a somewhat lower yield, which the Adviser would carefully seek to manage in order to remain competitive in relation to other long-term municipal funds in its peer group category following the Reorganization.
- The Reorganization may benefit Shareholders of each Fund through the potential for a narrower discount. Historically, FMN's share price has traded much closer to NAV per Common Share than has been the case for FPT. The Boards considered that FMN's narrower discount may be due, in part, to much greater market acceptance of the long-term, leveraged municipal fund structure relative to the intermediate structure. After the Reorganization, FPT Shareholders would experience a higher yield than they currently have. Reorganizing FPT into FMN and continuing to manage the combined fund using FMN's current long-term strategy may benefit each Fund's Shareholders through a narrower discount.
- As a larger fund following the Reorganization, the Acquiring Fund is likely to benefit from greater trading volume and better Common Share trading liquidity for Shareholders, transaction cost advantages resulting from the ability to transact in larger blocks, fixed costs spread across a larger asset base, and greater flexibility to use tender option bonds (a somewhat lower cost leverage vehicle) as a potential leverage alternative.
- The size of FPT's Tender Offer will affect FMN's leverage levels post-Reorganization. Post-Reorganization, FMN's leverage is expected to rise modestly.
- The likelihood that the Reorganization will help FPT avoid potentially significant expenses associated with being the subject of activist efforts, including proxy fights and contested solicitations.
- The Adviser recommended the Reorganization (and the Tender Offer) to the Board and believed it should enhance Shareholder value. In evaluating the Adviser's recommendation, the Board took into account the fact that the Adviser has entered into an Agreement with FPT's largest Shareholder under which the Shareholder agreed to withdraw its Shareholder proposal and trustee nominations, vote in favor of the Reorganization and revert to passive investing with respect to the Funds for a period of time. The Board evaluated the potential influence the Agreement may have had on the Adviser's recommendation of the Reorganization and considered that, with the support of the Shareholder, FPT may be able to achieve the requisite Shareholder approval for the Reorganization without significant solicitation expenses.
- There is no anticipated decline in services to FPT Shareholders as a result of the Reorganization. The range and quality of the services that FPT Shareholders will receive as Shareholders of FMN will be comparable to the range and quality of services that they currently receive as both Funds are managed by the Adviser.
- The investment personnel who manage FMN are the same as those managing FPT. The Adviser and the portfolio managers who currently manage FPT are expected to serve as the portfolio managers to FMN following the completion of the Reorganization.
- FPT Shareholders will be merged into a fund with generally stronger performance and the same net operating expenses. While the Adviser currently does not anticipate seeking to terminate or increase its voluntary fee waivers for at least one year from the date of this Prospectus/Proxy Statement, no assurance can be given that the future net operating expenses thereafter will not be more or less. Should the Reorganization result in lower fees and expenses, it

is anticipated that the size of the waiver needed to maintain the Acquiring Fund's total expense ratio will decrease after the Reorganization. Due to the Adviser's voluntary fee waivers, however, the overall net expense ratio for the Acquiring Fund post-Reorganization will not increase.

- The Board considered the potential for dilution of the interests of FPT's Shareholders and determined that because the Reorganization provides for the transfer of substantially all of the assets of FPT's to FMN in exchange for FMN shares (and cash, to the extent necessary) having an aggregate NAV equal to the aggregate NAV of FPT's Shares, the Reorganization will not result in economic dilution of the interests of FPT's Shareholders. The Board also considered the terms and conditions of the Reorganization Agreement.
- For U.S. federal income tax purposes the Reorganization is intended to be tax-free.
- Provided that the Reorganization is tax-free, no gain or loss should be recognized by a Shareholder of FPT who exchanges all of his, her or its FPT Shares solely for the Shares of FMN pursuant to the Reorganization (except with respect to cash received in lieu of any fractional Common Shares). Further, provided that the Reorganization is tax-free, the aggregate tax basis of the Shares received by Shareholders of FPT should be the same as the aggregate tax basis (reduced by any amount of tax basis allocable to a fractional Common Share for which cash is received) of the Shares surrendered in exchange therefor.

FPT and FMN will bear the direct reorganization expenses associated with their participation in the Reorganization. These direct expenses in the aggregate are estimated to be approximately $25,000. In addition, while there are no commissions or separately identified fees on any dispositions (or purchases) of portfolio holdings by FPT to better align the portfolio to that of the Acquiring Fund or to support post-Reorganization distributions, the bond spreads on such dispositions (or purchases) may reflect transaction costs that would be incurred by FPT. While very difficult to estimate, the Adviser currently expects that these expenses would be less than one cent per Common Share.

Each Fund's Board also considered that FMN and its affiliates would not receive a monetary benefit from the Reorganization (other than the continued receipt of management fees and administration fees and the potential reduction in its voluntary fee waiver for FMN). Each Fund's Board considered the Adviser's representation that, given the above factors, the Adviser believes that the bulk of the benefits of the Reorganization favor FPT and FMN and their respective Shareholders, as opposed to the Adviser and its affiliates, and that, in this instance, the proposed allocation of expenses is reasonable and appropriate, and does not result in unfair dilution or the Funds bearing the cost of a transaction where a greater benefit will accrue to another person (such as the Adviser and its affiliates).

For these and other reasons, including other information in this Prospectus/Proxy Statement, each Fund's Board, including a majority of whom are Independent Trustees, unanimously concluded that, based upon the factors and determinations summarized above, consummation of the Reorganization is in the best interests of the Fund, and that the interests of the existing Shareholders of the Fund will not be diluted as a result of the Reorganization.. The Boards approved, and are recommending that FPT Shareholders approve the Reorganization of FPT with and into FMN. The Board was assisted in its deliberations by independent legal counsel. The approval was made on the basis of each Trustee's judgment after consideration of all of the factors taken as a whole, though individual Trustees may have placed different weight on various factors and assigned different degrees of materiality to various conclusions.

FEDERAL INCOME TAX CONSEQUENCES

As a condition to the Reorganization, each Fund will receive an opinion of counsel to the effect that, on the basis of the existing provisions of the Code, current administrative rules and court decisions, for federal income tax purposes:

- The Reorganization as set forth in the Plan should constitute a tax-free reorganization under section 368(a) of the Code, and FPT and FMN each should be a "party to a reorganization" within the meaning of section 368(b) of the Code;
- No gain or loss should be recognized by FMN upon its receipt of FPT's assets in exchange for shares of FMN;
- No gain or loss should be recognized by FPT upon transfer of its assets to FMN solely in exchange for the shares of FMN or upon the distribution of FMN shares to FPT's Shareholders in exchange for their FPT shares;
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- No gain or loss should be recognized by Shareholders of FPT upon exchange of their FPT shares for FMN shares (except with respect to any cash in lieu of fractional shares);
- The tax basis of the assets of FPT in the hands of FMN should be the same as the tax basis of such assets to FPT immediately prior to the Reorganization;
- The aggregate tax basis of FMN shares received by each Shareholder of FPT pursuant to the Reorganization should be the same as the aggregate tax basis of the shares of FPT held by such Shareholder immediately prior to the Reorganization;
- The holding period of FMN's shares received by each Shareholder of FPT should include the period during which FPT's shares exchanged therefor were held by such Shareholder, provided the shares of FPT were held as capital assets on the date of the Reorganization; and
- The holding period of the assets of FPT in the hands of FMN should include the period during which those assets were held by FPT.

The opinion provided in connection with the Reorganization shall be based on customary assumptions and such representations as tax counsel. K&L Gates LLP, may reasonably request, and each Fund will cooperate to make and certify the accuracy of such representations. The opinion may state that no opinion is expressed as to the effect of the Reorganization on FPT, FMN or any Shareholder of FPT with respect to any asset as to which unrealized gain or loss is required to be recognized for federal income tax purposes at the end of a taxable year (or on the termination or transfer thereof) under a mark-to-market system of accounting. Notwithstanding anything herein to the contrary, the requirement that the above-described opinion be provided in connection with the Reorganization cannot be waived by either Fund.

Opinions of counsel are not binding upon the Internal Revenue Service ("IRS") or the courts. If the Reorganization is consummated but does not qualify as a tax-free reorganization under the Code, the sale of FPT's assets in exchange for shares of FMN will be taxable to FPT and a Shareholder of FPT would recognize a taxable gain or loss equal to the difference between his or her tax basis in his or her FPT shares and the fair market value of FMN shares received in exchange therefor.

COMPARATIVE INFORMATION ON SHAREHOLDER RIGHTS

Each Fund is organized as a Delaware statutory trust. Each Fund's operations are governed by its Agreement and Declaration of Trust, as amended and supplemented (collectively, "Declarations of Trust") and By-Laws and applicable state law. Although federal law, and particularly the 1940 Act, regulates many of the aspects of the governance of a closed-end fund, some state laws also apply because each Fund is organized as an entity under state law. The federal law governing closed-end funds applies to both Funds.

The Funds' Declarations of Trust are substantially similar. The following is a summary of the rights of Shareholders under each Fund's Declarations of Trust and Bylaws. See "Certain Provisions in the Agreement and Declaration of Trust" for additional information.

A fund organized as a Delaware statutory trust is governed both by the Delaware Statutory Trust Act (the "Delaware Act") and the fund's governing instrument. For a Delaware statutory trust, the law specifically addresses many aspects of corporate governance.

CATEGORY	**SHAREHOLDER RIGHTS - FPT**	**SHAREHOLDER RIGHTS - FMN**
Preemptive Rights	None	Same
Preferences	None	Same
Appraisal Rights	None	Same

Conversion Rights	None	Same
Exchange Rights	None	Same
Annual Meeting	Required	Same
Right to Call Shareholder Meetings	A special meeting of Shareholders may be called at any time by a majority of the Trustees or the President and shall be called by any Trustee for any proper purpose upon written request of Shareholders of the Trust holding in the aggregate not less than 51% of the outstanding shares of the Trust or class or series of shares having voting rights on the matter, such request specifying the purpose or purposes for which such meeting is to be called. Any shareholder meeting, including a Special Meeting, shall be held within or without the state of Delaware on such day and at such time as the Board of Trustees shall designate.	Same
Notice of Meeting	Notice must be given by the Secretary of the Trust at least seven days before and no more than one hundred twenty (120) days before the meeting.	Same
Record Date for Meetings	A date which shall not be more than 120 days nor less than 10 days before the date of any such meeting.	Same
Quorum for Meetings	Except where a higher quorum is required by applicable law, by the By-Laws or by this Declaration, holders of one-third (33-1/3%) of the shares entitled to vote at a meeting in person or by proxy shall constitute a quorum at such meeting of the Shareholders for purposes of conducting business on such matter.	Same
Vote Required for Election of Trustees	The qualified nominees receiving the highest number of votes cast by the Shareholders entitled to vote at a meeting at which a quorum is present, up to the number of Trustees to be elected at such meeting, shall be elected.	Same
Adjournment of Meetings	Any Shareholders' meeting, whether or not a quorum is present, may be adjourned from time to time (and at any time during the course of the meeting) by a majority of the votes cast by those Shareholders present in person or by proxy, or by the chairperson of the meeting. Any adjournment may be with respect to one or more proposals, but not necessarily all proposals, to be voted or acted upon at such meeting and any adjournment will not delay or otherwise affect the effectiveness and validity of a vote or other action taken at a shareholders' meeting prior to adjournment.	Same
Removal of Trustees by Shareholders	Any of the Trustees may be removed (provided the aggregate number of Trustees after such removal shall not be less than the minimum number required) for cause only, and not without cause, and only by action taken by a majority of the remaining Trustees followed by the holders of at least seventy-five percent (75%) of the shares then entitled to vote in an election of such Trustee.	Same
Personal Liability of Officers and Trustees	The Trust will indemnify Trustees and others of the Trust against liabilities and expenses that are incurred by virtue of having been a Trustee or Officer. However, Trustees and officers of the Trust will be liable for their willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of the office of Trustee or officer, as the case may be, and for nothing else.	Same
Personal Liability of Shareholders	No Shareholder of the Trust shall be subject in such capacity to any personal liability whatsoever to any other Person in connection with Trust Property or the acts, obligations or affairs of the Trust. As provided in the Delaware Statutory Trust Act, Shareholders shall have the same limitation of personal liability as is extended to shareholders of a private corporation for profit incorporated under the Delaware General Corporation Law.	Same
		Same

Right of Inspection	If information is requested by a Shareholder, the Board, or, in case the Board does not act, the president, any vice president or the secretary, shall establish reasonable standards governing, without limitation, the information and documents to be furnished and the time and the location, if appropriate, of furnishing such information and documents. Costs of providing such information and documents shall be borne by the requesting Shareholder. The Trust shall be entitled to reimbursement for its direct, out-of-pocket expenses incurred in declining unreasonable requests (in whole or in part) for information or documents. The Board, or, in case the Board does not act, the president, any vice president or the secretary, may keep confidential from Shareholders for such period of time as the Board or such officer, as applicable, deems reasonable any information that the Board or such officer, as applicable, reasonably believes to be in the nature of trade secrets or other information that the Board or such officer, as the case may be, in good faith believes would not be in the best interests of the Trust to disclose or that could damage the Trust or its business or that the Trust is required by law or by agreement with a third party to keep confidential.

DESCRIPTION OF THE SHARE CLASSes AND CAPITALIZATION

The shares of FMN to be issued to the Shareholders of FPT under the Plan will be fully paid and non-assessable when issued, transferable without restriction, and will have no preemptive or conversion rights. See "Additional Information about the Funds" for more information about the shares. The following table sets forth the unaudited capitalization of the Funds as of May 31, 2017 and the pro-forma combined capitalization of the combined Fund after the Reorganization as if the Tender Offer was fully subscribed and completed prior to that date and as if the Reorganization had occurred on that date. If the Reorganization is consummated, the actual exchange ratio may vary.

Fund	**Total Net Assets**	**Shares Outstanding**	**Net Asset Value Per Share**
FPT Common Shares	$100,094,667	6,982,324	$14.34
FMN Common Shares	$93,547,570	6,189,879	$15.11
Adjustments*	--	(260,787)	--
FMN Pro Forma Combined**	$173,996,904	11,514,951	$15.11
FPT AMPS	$14,900,000	596	$25,000
FMN AMPS	$18,150,000	726	$25,000
FMN Pro Forma Combined	$33,050,000	1,322	$25,000
FPT VMTPS	$46,175,000	1,847	$25,000
FMN VMTPS	$35,525,000	1,421	$25,000
FMN Pro Forma Combined	$81,700,000	3,268	$25,000

* Adjustments necessary to reflect the number of FMN Common Shares to be issued to Common Shareholder of FPT based on the net assets of FPT and FMN's NAV per Common Share.

** The pro forma net assets and NAV per Common Share reflect the payment of reorganization expenses and assume that the Tender Offer was fully subscribed.

FINANCIAL HIGHLIGHTS

The financial highlights for FPT and FMN are included as Annex B to this Prospectus/Proxy Statement. The financial highlights are intended to help you understand the performance of each Fund for its past five fiscal years. The unaudited financials of FPT and FMN for the semi-annual period ended May 31, 2017 are incorporated herein by reference to each Fund’s semi-annual report (available upon request). The audited financial statements of FPT and FMN for the fiscal year ended November 30, 2016 are incorporated herein by reference to each Fund’s annual report (available upon request) in reliance upon the reports of Ernst & Young LLP, each Fund’s independent registered public accounting firm.

ADDITIONAL Information About the Funds

Each Fund is a diversified, closed-end management investment company registered under the 1940 Act. The Funds were created on the same date and were organized as Delaware statutory trusts pursuant to two separate Declarations of Trust dated as of October 16, 2002. Each Fund’s principal office is located at 4000 Ericsson Drive, Warrendale, PA 15086-7561, and its telephone number is 1-800-341-7400. As discussed, FPT and FMN have identical investment objectives and substantially similar investment strategies.

The Adviser

The Board governs each Fund. The Board selects and oversees the Adviser, Federated Investment Management Company. The Adviser manages the Funds’ assets, including buying and selling portfolio securities. Federated Advisory Services Company (FASC), an affiliate of the Adviser, provides certain support services to the Adviser. The fee for these services is paid by the Adviser and not by the Funds. The address of the Adviser and FASC is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222-3779.

The Adviser and other subsidiaries of Federated Investors, Inc. advise approximately 122 equity, fixed-income and money market mutual funds as well as a variety of other pooled investment vehicles, private investment companies and customized separately managed accounts (including non-U.S./offshore funds) which totaled approximately $360.4 billion in assets as of June 30, 2017. Federated Investors was established in 1955 and is one of the largest investment managers in the United States with approximately 1,400 employees. Federated provides investment products to approximately 8,500 investment professionals and institutions.

Portfolio Managers

Each Fund’s portfolio managers are Lee R. Cunningham II and R.J. Gallo.

Lee R. Cunningham II has been a Portfolio Manager of both Funds since their Fund’s inception in December 2002. Mr. Cunningham joined Federated Investors in 1995 as an Investment Analyst, became a Portfolio Manager in 1998 and a Senior Portfolio Manager in 2007. He was named an Assistant Vice President of each Fund’s Adviser in January 1998 and became a Vice President of each Fund’s Adviser in July 2000. From 1986 through 1994, Mr. Cunningham was a Project Engineer with Pennsylvania Power and Light Company. Mr. Cunningham received his M.B.A. with concentrations in Finance and Operations from the University of Pittsburgh.

R.J. Gallo has been each Fund’s Portfolio Manager since the Fund’s inception in December 2002. Mr. Gallo was named Head of Municipal Bond Investment Group in 2010 and became a Vice President of the Fund in June 2012. Mr. Gallo joined Federated Investors in 2000 as an Investment Analyst; he became a portfolio manager in 2002 and a Senior Portfolio Manager in 2005. He became a Senior Vice President of the Fund’s Adviser in January of 2011, served as a Vice President of the Fund’s Adviser from January 2005 through 2011 and served as Assistant Vice President of the Fund’s Adviser from January 2002 through 2004. From 1996 to 2000, Mr. Gallo was a Financial Analyst and Trader at the Federal Reserve Bank of New York. Mr. Gallo has received the Chartered Financial Analyst designation. Mr.

Gallo received a Master's in Public Affairs with a concentration in Economics and Public Policy from Princeton University.

The SAI to this Prospectus/Proxy Statement provides additional information about each Portfolio Manager's compensation, management of other accounts, and ownership of securities in the Funds.

Investment Advisory AgreementS

Pursuant to separate investment advisory agreements between the Adviser and the Fund, the Adviser receives a fee payable monthly in arrears at an annual fee in a maximum amount equal to 0.55% of the average daily value of each Fund's total Managed Assets (the "Management Fee"). For these purposes, "Managed Assets" means the total assets of each Fund (including recorded assets attributable to any Preferred Shares and/or borrowings from a credit facility that may be outstanding), minus the sum of accrued liabilities (other than debt representing Preferred Shares and/or borrowings from a credit facility).

In addition to the Management Fee of the Adviser, each Fund pays all other costs and expenses of its operations, including compensation of its trustees (other than those affiliated with the Adviser), custodian, transfer and dividend disbursing agent expenses, legal fees, leverage expenses, rating agency fees, listing fees and expenses, expenses of independent auditors, expenses of repurchasing shares, expenses of preparing, printing and distributing Shareholder reports, notices, proxy statements and reports to governmental agencies and taxes, if any.

Subject to the terms described in the "Expense Limitation" discussed below, the Adviser may voluntarily choose to waive any portion of its fee. For the year ended November 30, 2016, the Adviser voluntarily waived $299,492 and $272,127 of its fee for FPT and FMN, respectively.

A discussion of the Board's review of each Fund's investment advisory contract is available in the Fund's annual and semi-annual Shareholder reports for the periods ended November 30 and May 31, respectively.

Administrative Agreement

Federated Administrative Services (FAS), under a separate Administrative Services Agreement with each Fund, provides each Fund with administrative personnel and services. The Administrator's address is Federated Investors Tower, 1001 Liberty Avenue, Pittsburgh, PA 15222-3779. For purposes of determining the appropriate rate breakpoint, "Investment Complex" is defined as all of the Federated Funds subject to a fee under the Administrative Services Agreement. The fee paid to FAS is based on the average daily net assets of the Investment Complex as specified below, plus certain out-of-pocket expenses:

Administrative Fee	**Average Daily Net Assets of the Investment Complex**
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

Subject to the terms described in "Expense Limitation" below, FAS may voluntarily choose to waive any portion of its fee. For each Fund for the year ended November 30, 2016, the annualized fee paid to FAS was 0.078% of average daily net assets of the Fund.

Expense Limitation

The Adviser and certain of its affiliates (which may include FAS) on their own initiative have agreed to waive certain amounts of their respective fees and/or reimburse expenses. The total annual fund operating expenses (as shown in the financial highlights, excluding any interest and trust expenses on inverse floater trusts, interest expense on VMTPS and commission costs on Preferred Shares dividend payments) paid by each Fund will not exceed 0.99%. While the Adviser and its affiliates currently do not anticipate terminating or increasing these arrangements, no assurance can be given that future total annual operating expenses will not be more or less than 0.99%

In addition to the Management Fee of the Adviser, the Fund pays all other costs and expenses of its operations, including compensation of its trustees (other than those affiliated with the Adviser), custodian, transfer and dividend disbursing agent expenses, legal fees, leverage expenses, rating agency fees, listing fees and expenses, expenses of independent auditors, expenses of repurchasing shares, expenses of preparing, printing and distributing Shareholder reports, notices, proxy statements and reports to governmental agencies and taxes, if any.

Subject to the terms of the expense limitation described above, the Adviser or its affiliates may voluntarily choose to waive any portion of their fees.

INVESTMENT OBJECTIVES AND STRATEGIES

While there is no assurance that each Fund will achieve its investment objective, it endeavors to do so by following the strategies and policies described in this Prospectus/Proxy Statement..

Each Fund’s investment objective is to provide current income exempt from federal income tax, including AMT. Each Fund invests primarily in securities that, in the opinion of bond counsel to the issuer, or on the basis of another authority believed by the Adviser to be reliable, pay interest exempt from federal income tax, including AMT. The Adviser does not conduct its own analysis of the tax status of the interest paid by tax-exempt securities held by the Fund.

Each Fund normally invests substantially all (at least 90%) of its total assets in tax-exempt securities, and normally invests at least 80% of its total assets in investment grade tax-exempt securities. Each Fund may invest up to 20% of its total assets in tax-exempt securities of below investment grade quality (but not lower than B, including modifiers, sub-categories or gradations). The presence of a ratings modifier, sub-category, or gradation (for example, a (+) or (-)) is intended to show relative standing within the major rating categories and does not affect the security credit rating for purposes of the Fund’s investment parameters. Bonds of below investment grade quality are commonly referred to as “junk bonds.” Bonds of below investment grade quality are regarded as having predominately speculative characteristics with respect to the issuer’s capacity to pay interest and repay principal.

The Adviser performs a fundamental credit analysis on tax-exempt securities that a Fund is contemplating purchasing before the Fund purchases such securities. The Adviser considers various factors, including the economic feasibility of revenue bond financings and general purpose financings; the financial condition of the issuer or guarantor; and political developments that may affect credit quality. The Adviser monitors the credit risks of the tax-exempt securities held by a Fund on an ongoing basis by reviewing periodic financial data and ratings of NRSROs.

The only difference between FPT and FMN’s investment strategies is that FPT, under normal circumstances, maintains a dollar-weighted average effective portfolio maturity of three to ten years and a dollar-weighted average duration of three to eight years, while FMN maintains a dollar weighted average stated portfolio maturity of ten to thirty years and a dollar weighted average duration of thirteen years or less.

FPT’s average effective portfolio maturity represents an average based on the actual stated maturity dates of the debt securities in the Fund, except that: (1) variable-rate securities are deemed to mature at the next interest-rate adjustment date, unless subject to a demand feature; (2) variable-rate securities subject to a demand feature are deemed to mature on the longer of the next interest-rate adjustment date or the date on which principal can be recovered through demand; (3) floating-rate securities subject to a demand feature are deemed to mature on the date on which the principal can be recovered through demand; and (4) securities being hedged with futures contracts may be deemed to have a longer maturity, in the case of purchases of futures contracts, and a shorter maturity, in the case of sales of futures contracts, than they would otherwise be deemed to have. The average portfolio maturity of each Fund is dollar-weighted based upon the market value of each Fund's securities at the time of calculation. FMN's average stated portfolio maturity is determined based on the actual stated maturity dates of the debt securities in the Fund's portfolio whether or not a security is subject to redemption at the option of the issuer prior to the security's stated maturity.

"Duration" measures the sensitivity of a security's price to changes in interest rates. The greater a portfolio's duration, the greater the change in the portfolio's value in response to a change in market interest rates. The Adviser increases or reduces each Fund's portfolio duration based on its interest rate outlook. When the Adviser expects interest rates to fall, it attempts to maintain a longer portfolio duration. When the Adviser expects interest rates to increase, it attempts to shorten the portfolio duration. The Adviser considers a variety of factors in formulating its interest rate outlook, including current and expected U.S. economic growth; current and expected interest rates and inflation; the Federal Reserve's monetary policy; and supply and demand factors related to the municipal market and the effect they may have on the returns offered for various bond maturities.

For temporary or for defensive purposes, each Fund may invest up to 100% of its assets in short-term investments, including high quality, short-term securities that may be either tax-exempt or taxable. Each Fund intends to invest in taxable short-term investments only in the event that suitable tax-exempt short-term investments are not available at reasonable prices and yields. Investments in taxable short-term investments would result in a portion of a shareholder's dividends being subject to federal income taxes. For more information, see "Tax Matters" in the accompanying SAI.

Because each Fund refers to municipal investments in its name, each Fund has an investment policy that it will normally invest so that at least 80% of the income that it distributes will be exempt from federal income tax. This policy is referred to as the "80% Policy."

Neither Fund can change its investment objective or the 80% Policy without the approval of (1) the holders of a majority of such Fund's outstanding Common Shares and Preferred Shares voting together as a single class, and (2) the holders of a majority of such Fund's outstanding Preferred Shares voting as a separate class. A "majority of the outstanding" means (1) 67% or more of the shares present at a meeting, if the holders of more than 50% of the shares are present or represented by proxy, or (2) more than 50% of the shares, whichever is less.

The Adviser will determine whether a security is investment grade based upon the credit ratings given by one or more NRSROs, such as Standard & Poor's ("S&P"), Moody's Investors Service ("Moody's") or Fitch, Inc. ("Fitch"). For example, S&P assigns ratings to investment grade securities (AAA, AA, A and BBB) based on their assessment of the likelihood of the issuer's inability to pay interest or principal (default) when due on each security. Lower credit ratings correspond to higher credit risk. Securities in the lowest investment grade category may be considered to possess speculative characteristics by certain NRSROs. An NRSRO's rating categories are determined without regard for sub-categories and gradations. If a security is downgraded below investment grade, the Adviser will reevaluate the security, but will not be required to sell it.

Tax-exempt securities of below investment grade quality are regarded as having predominately speculative characteristics with respect to the issuer's capacity to pay interest and repay principal and are commonly referred to as "junk bonds."

If a security has not received a rating, the Fund must rely entirely upon the Adviser's credit assessment. See Appendix A to the SAI for a description of NRSRO ratings

The Fund may make temporary defensive investments in treasury securities and agency securities, bank instruments, corporate debt securities, commercial paper, and repurchase agreements.

TYPES of investments

To pursue the investment objectives, FPT and FMN may invest generally in the same types of securities and instruments. The following provides general information on each Fund's principal investments. The SAI to this Prospectus/Proxy Statement provides information about the Funds' investments.

Tax Exempt Securities

Tax-exempt securities are fixed-income securities that, in the opinion of bond counsel to the issuer or on the basis of another authority believed by the Adviser to be reliable, pay interest that is not subject to federal income taxes.

Fixed-income securities pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a fixed-income security must repay the principal amount of the security, normally within a specified time. Typically, states, counties, cities and o