

NUVEEN PREMIUM INCOME MUNICIPAL FUND 4 INC
Form N-CSR
January 08, 2004

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-7432

Nuveen Premium Income Municipal Fund 4, Inc.

(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Address of principal executive offices) (Zip code)

Jessica R. Droeger
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606

(Name and address of agent for service)

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

Date of fiscal year end: October 31, 2003

Date of reporting period: October 31, 2003

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

ANNUAL REPORT October 31, 2003

Nuveen
Municipal Closed-End
Exchange-Traded
Funds

NUVEEN PREMIUM INCOME MUNICIPAL FUND
NPI

NUVEEN PREMIUM INCOME MUNICIPAL FUND 2
NPM

NUVEEN PREMIUM INCOME MUNICIPAL FUND 4
NPT

DEPENDABLE,
TAX-FREE INCOME
BECAUSE
IT'S NOT WHAT YOU EARN,
IT'S WHAT YOU KEEP. (R)

photo of: Man catching falling boy
photo of: Women and Girls digging for seashell

Logo: NUVEEN Investments

FASTER INFORMATION
RECEIVE YOUR
NUVEEN FUND REPORT
ELECTRONICALLY

By registering for electronic delivery, you will receive an e-mail as soon as your Nuveen Fund information is available. Click on the link and you will be taken directly to the report. Your Fund report can be viewed and saved on your computer. Your report will arrive faster via e-mail than by traditional mail.

Registering is easy and only takes a few minutes (see instructions at right).

SOME COMMON CONCERNS:

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IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME FROM YOUR FINANCIAL ADVISOR OR BROKERAGE ACCOUNT,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to WWW.INVESTORDELIVERY.COM and follow the simple instructions, using the address sheet that accompanied this report as a guide.
- 2 You'll be taken to a page with several options. Select the NEW ENROLLMENT-CREATE screen and follow the simple instructions.
- 3 Click Submit. Confirm the information you just entered is correct, then click Submit again.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

IF YOUR NUVEEN FUND DIVIDENDS AND STATEMENTS

COME DIRECTLY TO YOU FROM NUVEEN,

FOLLOW THE STEPS OUTLINED BELOW:

- 1 Go to WWW.NUVEEN.COM
- 2 Select ACCESS YOUR ACCOUNT. Select the E-REPORT ENROLLMENT section. Click on Enrollment Today.
- 3 You'll be taken to a screen that asks for your Social Security number and e-mail address. Fill in this information, then click Enroll.
- 4 You should get a confirmation e-mail within 24 hours. If you do not, go back through these steps to make sure all the information is correct.
- 5 Use this same process if you need to change your registration information or cancel internet viewing.

Logo: NUVEEN Investments

Photo of: Timothy R. Schwertfeger
Chairman of the Board

Sidebar text: WE THINK YOUR NUVEEN FUND CAN BE AN IMPORTANT BUILDING BLOCK IN A PORTFOLIO DESIGNED TO PERFORM WELL THROUGH A VARIETY OF MARKET CONDITIONS.

Dear Shareholder

I am very pleased to report that for the year ended October 31, 2003, your Nuveen Fund continued to provide you with attractive monthly tax-free income.

Your Nuveen Fund is managed with a value investing strategy that puts an emphasis on finding securities that we think are undervalued or underrated. We believe that there are always some municipal bonds that the market is not

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properly valuing, and that by using a consistent, research-oriented management approach we have the opportunity to find them for your Fund.

In this low-rate environment, many have begun to wonder whether interest rates will soon start to rise, and whether that possibility should cause them to adjust their holdings of fixed-income investments. We believe that by constructing a carefully balanced portfolio with the help of a trusted investment professional you may be able to reduce your overall investment risk and give yourself a better chance to meet your financial goals. We think that municipal bond investments like your Nuveen Fund can be important building blocks in a portfolio designed to perform well through a variety of market conditions.

Since 1898, Nuveen Investments has offered financial products and solutions that incorporate careful research, diversification, and the application of conservative risk-management principles. We are grateful that you have chosen us as a partner as you pursue your financial goals. We look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

/s/ Timothy R. Schwertfeger

Timothy R. Schwertfeger
Chairman of the Board

December 15, 2003

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Nuveen National Municipal Closed-End Exchange-Traded Funds
(NPI, NPM, NPT)

Portfolio Managers'
COMMENTS

Portfolio managers Tom Spalding and Dan Solender discuss U.S. economic and market conditions, key investment strategies, and the annual performance of these national Funds. A 27-year veteran of Nuveen, Tom has managed NPT since January 2003. Tom recently turned over portfolio management responsibility for NPI (in August 2003) and NPM (in October 2003) to Dan, who has 16 years of investment experience.

WHAT FACTORS AFFECTED THE U.S. ECONOMY AND MUNICIPAL MARKET DURING THE 12-MONTH PERIOD ENDED OCTOBER 31, 2003?

Over the 12-month reporting period, the two greatest influences on the general economy continued to be historically low interest rates and the overall pace of economic improvement. In June 2003, the Federal Reserve reduced the fed funds rate to 1.0%, the lowest level since 1958. The Fed's accommodative monetary policy, coupled with Washington's tax relief measures and increased spending for defense helped to fuel an 8.2% year-over-year jump in the third-quarter Gross Domestic Product (GDP), up from 3.3% in the second quarter. At the same time, inflation remained under control throughout the period.

In the municipal market, the slower rate of economic recovery over the majority of this reporting period, low interest rates, and lack of inflationary pressures helped many municipal bonds perform well. During the summer of 2003, however,

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stronger-than-expected economic data precipitated a spike in bond yields and a corresponding drop in bond prices that impacted results across all fixed-income markets, including the municipal market, for the 12-month period ended October 31, 2003.

During the first 10 months of 2003, municipal supply nationally remained robust, with \$319.9 billion in new bonds, up 8% over the same period in 2002.

HOW DID THESE NUVEEN FUNDS PERFORM OVER THIS REPORTING PERIOD?

Individual results for these Funds, as well as for relevant benchmarks, are presented in the accompanying table.

| | MARKET YIELD | | TOTAL RETURN ON NAV | LEHMAN TOTAL RETURN ¹ | LIPPER AVERAGE ² |
|-----|--------------|-------------------------------------|-----------------------------|--|--------------------------------|
| | 10/31/03 | TAXABLE- EQUIVALENT ³ | 1 YEAR ENDED 10/31/03 | 1 YEAR ENDED 10/31/03 | 1 YEAR ENDED 10/31/03 |
| NPI | 6.83% | 9.49% | 6.58% | 5.11% | 8.08% |
| NPM | 6.86% | 9.53% | 6.07% | 5.11% | 8.08% |
| NPT | 6.81% | 9.46% | 4.12% | 5.11% | 8.08% |

Past performance is not predictive of future results.

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

For the 12 months ended October 31, 2003, both NPI and NPM outperformed the unleveraged Lehman Brothers Municipal Bond Index, while NPT trailed this measure, and all three Funds lagged their Lipper peer group average. The use of leverage was one of the factors that influenced the performances of these Funds relative to the Lehman index over the past 12 months. While this is a strategy that carries some price risk and increased volatility, leveraging can provide opportunities for additional income for common shareholders, especially during periods of low short-term interest rates, and income is an important component of total return for any bond investment. However, in NPT, the benefits of leverage were offset to a large degree by the negative impact of price declines in specific holdings within the Fund.

¹ The total annual returns on common share net asset value (NAV) for these Nuveen Funds are compared with the total annual return of the Lehman Brothers Municipal Bond Index, an unleveraged, unmanaged index comprising a broad range of investment-grade municipal bonds. Results for the Lehman index do not reflect any expenses.

² The total returns of these Funds are compared with the average annualized return of the 62 funds in the Lipper General Leveraged Municipal Debt Funds category. Fund and Lipper returns assume reinvestment of dividends.

³ The taxable-equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

Factors such as call exposure and portfolio trading activity, also affected the performances of the three Funds compared with their Lipper peer group. For example, at the beginning of this reporting period, these Funds held several multifamily housing issues. For the 12 months ended October 2003, the multifamily housing sector, as measured by the Lehman index, was among the poorer performers, lagging the general municipal market by more than 35 basis points. We have subsequently reduced NPT's position in these holdings.

Each of these Funds also held tobacco settlement bonds in their portfolios. In July 2003, the credit ratings on most tobacco bonds in their portfolios were downgraded to BBB from A, and the sector as a whole produced negative returns for the 12 months ended October 31, 2003. Recently, however, in the wake of legal developments more favorable to the tobacco companies, these bonds have shown some signs of recovery. Following an in-depth analysis of the tobacco sector, we believe that ongoing litigation will not affect the long-term quality and value provided by the tobacco settlement bonds. As a result, we have continued to hold and add to our tobacco investments as appropriate, while regularly evaluating the situation.

HOW DID THE MARKET ENVIRONMENT AFFECT THE FUNDS' DIVIDENDS AND SHARE PRICES?

With short-term interest rates remaining at historically low levels, the dividend-paying capabilities of these Funds benefited from their use of leverage. During the 12 months ended October 31, 2003, continued low short-term rates enabled us to increase NPI's dividend in March 2003. Leverage also helped to support the dividends of NPM and NPT. As of October 31, 2003, these two Funds had paid shareholders steady or increasing dividends for 35 and 41 consecutive months, respectively.

Even at these dividend levels, each Fund's common share net investment income during the period exceeded the amount of dividends paid to common shareholders. This excess net investment income, along with any excess net investment income from prior fiscal periods, was held in reserve by the Funds as undistributed net investment income (UNII) and is part of the Funds' net asset value. The Funds, over time, will pay all their net investment income out to common shareholders. However, UNII reserves may help the Funds maintain more stable common share dividend levels over time should the short-term rates the Funds pay on their MuniPreferred shares rise or net common share earnings otherwise decline.

Increased volatility in the fixed-income markets during the summer of 2003 led to an overall weakening of bond prices. The Funds' share prices and NAVs finished the period modestly lower than they had been at the beginning, with the exception of NPI, where the NAV was unchanged. As of October 31, 2003, all three Funds continued to trade at discounts to their common share NAVs.

WHAT KEY STRATEGIES WERE USED TO MANAGE THESE FUNDS DURING THE FISCAL YEAR ENDED OCTOBER 31, 2003?

Over this 12-month reporting period, we continued to place strong emphasis on keeping the Funds fully invested and well diversified, improving call protection, and enhancing dividend-paying capabilities. We also continued to

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focus on managing the Funds' durations⁴ with the goal of enhancing our ability to mitigate interest rate risk and produce potentially more consistent returns over time. Interest rate risk is the risk that the value of a Fund's portfolio will decline when market interest rates rise. The longer the duration of a Fund's portfolio, the greater its interest rate risk. Over the past 12 months, we worked to bring the Funds' durations more closely in line with one another. As of October 31, 2003, the leverage-adjusted durations for these three Funds ranged from 9.57 to 10.35.

In line with the steepness of the municipal yield curve, the majority of our purchase activity over the past year focused on value opportunities in the intermediate part of the yield curve (i.e., bonds that mature in 15 to 20 years). In many cases, bonds in this part of the curve offered yields similar to those of longer-term bonds but, had less inherent interest rate risk.

Although the overall increase in municipal issuance during 2003 has provided continued opportunities to make trades that would benefit the Funds, in recent months we have not seen as much volume as the market originally anticipated. In this environment, we have focused on bonds offering above-market coupons that can help support the Funds' dividends by generating cash flow. In addition, they can provide more protection from falling bond prices of similar maturities if rates should rise than lower coupons bond of similar maturities. We also focused on issues in the low AA/high A credit quality sectors that can add diversification. Both general obligation bonds and the health care sector have also provided opportunities to pick up incremental yield.

HOW WERE THE FUNDS POSITIONED IN TERMS OF CREDIT QUALITY AND BOND CALLS AS OF OCTOBER 31, 2003?

We believe that, given the current geopolitical and economic climate, maintaining strong credit quality remains a vital requirement. As of October 31, 2003, these Nuveen Funds offered excellent credit quality, with allocations of bonds rated AAA/U.S. guaranteed and AA ranging from 79% to 82%.

Looking at bond calls, these Funds offer good levels of call protection over the next two years, with potential call exposure ranging from 14% in NPT to 17% in NPM during 2004 and 2005. The number of bond calls will depend largely on market interest rates in coming months.

In general, we believe that these Nuveen Funds can continue to serve as attractive sources of tax-free income, while simultaneously offering the potential for portfolio diversification. In our opinion, the Funds represent a quality component of a well-balanced core investment portfolio that can continue to benefit shareholders over time.

⁴ Duration is a measure of a fund's NAV volatility in reaction to interest rate movements. Fund duration, also known as leverage-adjusted duration, takes into account the leveraging process for a fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the fund. References to duration in this commentary are intended to indicate fund duration unless otherwise noted.

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NPI

Pie chart:

| CREDIT QUALITY | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 66% |
| AA | 16% |
| A | 9% |
| BBB | 7% |
| NR | 1% |
| BB or Lower | 1% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.06 |
| Common Share Net Asset Value | \$14.87 |
| Market Yield | 6.83% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.49% |
| Net Assets Applicable to Common Shares (\$000) | \$948,312 |
| Average Effective Maturity (Years) | 19.05 |
| Leverage-Adjusted Duration | 9.57 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 6.48% | 6.58% |
| 5-Year | 4.94% | 5.04% |
| 10-Year | 4.48% | 5.66% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/Limited | 20% |
| Tax Obligation/General | 19% |
| Healthcare | 10% |
| Transportation | 10% |
| U.S. Guaranteed | 9% |

Bar chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE
Nov 0.0785

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| | |
|-----|--------|
| Dec | 0.0785 |
| Jan | 0.0785 |
| Feb | 0.0785 |
| Mar | 0.0800 |
| Apr | 0.0800 |
| May | 0.0800 |
| Jun | 0.0800 |
| Jul | 0.0800 |
| Aug | 0.0800 |
| Sep | 0.0800 |
| Oct | 0.0800 |

Line chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14.20 |
| | 14.07 |
| | 14.12 |
| | 13.65 |
| | 13.71 |
| | 13.98 |
| | 13.84 |
| | 13.77 |
| | 13.90 |
| | 14.08 |
| | 13.76 |
| | 13.86 |
| | 14.00 |
| | 14.07 |
| | 14.26 |
| | 14.15 |
| | 14.20 |
| | 14.19 |
| | 14.23 |
| | 14.09 |
| | 13.97 |
| | 14.26 |
| | 14.17 |
| | 14.20 |
| | 14.32 |
| | 14.50 |
| | 14.65 |
| | 14.85 |
| | 15.23 |
| | 15.29 |
| | 15.40 |
| | 14.97 |
| | 15.08 |
| | 15.20 |
| | 15.01 |
| | 14.45 |
| | 13.86 |
| | 14.07 |
| | 13.91 |
| | 13.86 |
| | 13.95 |
| | 14.06 |
| | 14.17 |
| | 14.20 |
| | 14.21 |

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| | |
|----------|-------|
| | 14.31 |
| | 14.05 |
| | 13.96 |
| 10/31/03 | 14.06 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

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Nuveen Premium Income Municipal Fund 2, Inc.
Performance
OVERVIEW As of October 31, 2003

NPM

Pie chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 69% |
| AA | 13% |
| A | 9% |
| BBB | 6% |
| NR | 3% |

PORTFOLIO STATISTICS

| | |
|--|-----------|
| Share Price | \$14.25 |
| Common Share Net Asset Value | \$15.09 |
| Market Yield | 6.86% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.53% |
| Net Assets Applicable to Common Shares (\$000) | \$619,916 |
| Average Effective Maturity (Years) | 16.55 |
| Leverage-Adjusted Duration | 10.22 |

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

| | ON SHARE PRICE | ON NAV |
|--------|----------------|--------|
| 1-Year | 6.57% | 6.07% |
| 5-Year | 3.40% | 5.23% |

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10-Year 6.49% 6.27%

 TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-------|
| Tax Obligation/General | 26% |
| ----- | ----- |
| U.S. Guaranteed | 15% |
| ----- | ----- |
| Tax Obligation/Limited | 12% |
| ----- | ----- |
| Utilities | 11% |
| ----- | ----- |
| Healthcare | 9% |
| ----- | ----- |

Bar chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.0815 |
| Dec | 0.0815 |
| Jan | 0.0815 |
| Feb | 0.0815 |
| Mar | 0.0815 |
| Apr | 0.0815 |
| May | 0.0815 |
| Jun | 0.0815 |
| Jul | 0.0815 |
| Aug | 0.0815 |
| Sep | 0.0815 |
| Oct | 0.0815 |

Line chart:

SHARE PRICE PERFORMANCE

Weekly Closing Price

Past performance is not predictive of future results.

| | |
|---------|-------|
| 11/1/02 | 14.40 |
| | 14.68 |
| | 14.23 |
| | 14.08 |
| | 14.35 |
| | 14.48 |
| | 14.19 |
| | 14.09 |
| | 14.28 |
| | 14.47 |
| | 14.16 |
| | 14.14 |
| | 14.28 |
| | 14.32 |
| | 14.36 |
| | 14.24 |
| | 14.37 |
| | 14.37 |
| | 14.52 |
| | 14.33 |
| | 14.20 |
| | 14.61 |
| | 14.61 |
| | 14.43 |
| | 14.53 |

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| | |
|----------|-------|
| | 14.66 |
| | 14.84 |
| | 14.90 |
| | 15.30 |
| | 15.48 |
| | 15.40 |
| | 14.94 |
| | 15.07 |
| | 15.23 |
| | 15.03 |
| | 14.47 |
| | 14.05 |
| | 14.40 |
| | 14.02 |
| | 14.10 |
| | 14.15 |
| | 14.15 |
| | 14.29 |
| | 14.33 |
| | 14.38 |
| | 14.23 |
| | 14.21 |
| | 14.26 |
| 10/31/03 | 14.25 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

2 The Fund also paid shareholders capital gains and net ordinary income distributions in December 2002 of \$0.1047 per share.

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Nuveen Premium Income Municipal Fund 4, Inc.
Performance

OVERVIEW As of October 31, 2003

NPT

Pie chart:

CREDIT QUALITY

| | |
|---------------------|-----|
| AAA/U.S. Guaranteed | 66% |
| AA | 13% |
| A | 10% |
| BBB | 6% |
| NR | 4% |
| BB or Lower | 1% |

PORTFOLIO STATISTICS

Share Price \$12.52

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| | |
|--|-----------|
| Common Share Net Asset Value | \$13.15 |
| Market Yield | 6.81% |
| Taxable-Equivalent Yield (Federal Income Tax Rate) ¹ | 9.46% |
| Net Assets Applicable to Common Shares (\$000) | \$568,776 |
| Average Effective Maturity (Years) | 17.56 |
| Leverage-Adjusted Duration | 10.35 |

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

| | ON SHARE PRICE | ON NAV |
|---------|----------------|--------|
| 1-Year | 3.09% | 4.12% |
| 5-Year | 3.00% | 3.40% |
| 10-Year | 5.23% | 4.90% |

TOP FIVE SECTORS (as a % of total investments)

| | |
|------------------------|-----|
| Tax Obligation/General | 16% |
| Tax Obligation/Limited | 14% |
| Utilities | 12% |
| U.S. Guaranteed | 12% |
| Healthcare | 10% |

Bar chart:

2002-2003 MONTHLY TAX-FREE DIVIDENDS PER SHARE²

| | |
|-----|--------|
| Nov | 0.0710 |
| Dec | 0.0710 |
| Jan | 0.0710 |
| Feb | 0.0710 |
| Mar | 0.0710 |
| Apr | 0.0710 |
| May | 0.0710 |
| Jun | 0.0710 |
| Jul | 0.0710 |
| Aug | 0.0710 |
| Sep | 0.0710 |
| Oct | 0.0710 |

Line chart:

SHARE PRICE PERFORMANCE
Weekly Closing Price

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Past performance is not predictive of future results.

| | |
|----------|-------|
| 11/1/02 | 13.15 |
| | 13.25 |
| | 13.09 |
| | 12.60 |
| | 12.84 |
| | 13.09 |
| | 12.89 |
| | 12.67 |
| | 12.96 |
| | 13.27 |
| | 12.92 |
| | 12.88 |
| | 12.81 |
| | 12.88 |
| | 12.93 |
| | 12.88 |
| | 12.81 |
| | 12.86 |
| | 13.02 |
| | 12.95 |
| | 12.68 |
| | 12.91 |
| | 12.98 |
| | 12.80 |
| | 12.87 |
| | 12.85 |
| | 13.12 |
| | 13.29 |
| | 13.63 |
| | 13.90 |
| | 13.82 |
| | 13.48 |
| | 13.53 |
| | 13.52 |
| | 13.31 |
| | 12.97 |
| | 12.45 |
| | 12.65 |
| | 12.23 |
| | 12.39 |
| | 12.33 |
| | 12.52 |
| | 12.51 |
| | 12.55 |
| | 12.60 |
| | 12.58 |
| | 12.53 |
| | 12.58 |
| 10/31/03 | 12.52 |

1 Taxable equivalent yield represents the yield that must be earned on a taxable investment, other than an investment that generates qualified dividend income that is taxable at a maximum rate of 15%, in order to equal the yield of the Nuveen Fund on an after-tax basis. It is calculated using the current market yield and a federal income tax rate of 28%.

2 The Fund also paid shareholders a net ordinary income distribution in December 2002 of \$0.0021 per share.

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Shareholder

MEETING REPORT

The annual shareholder meeting was held on July 28, 2003, at the Northern Trust Bank, Chicago, Illinois.

NPI

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPreferred Series M | MuniPreferred Series M2 | MuniPreferred Series T | MuniPref Ser |
|----------------------|--|--|---------------------------|----------------------------|---------------------------|-----------------|
| ===== | | | | | | |
| William E. Bennett | | | | | | |
| For | 36,700,001 | -- | -- | -- | -- | |
| Withhold | 1,309,456 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| Robert P. Bremner | | | | | | |
| For | 36,708,451 | -- | -- | -- | -- | |
| Withhold | 1,301,006 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| Lawrence H. Brown | | | | | | |
| For | 36,738,225 | -- | -- | -- | -- | |
| Withhold | 1,271,232 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| Jack B. Evans | | | | | | |
| For | 36,725,587 | -- | -- | -- | -- | |
| Withhold | 1,283,870 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| Anne E. Impellizzeri | | | | | | |
| For | 36,658,262 | -- | -- | -- | -- | |
| Withhold | 1,351,195 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| William L. Kissick | | | | | | |
| For | 36,648,937 | -- | -- | -- | -- | |
| Withhold | 1,360,520 | -- | -- | -- | -- | |
| Total | 38,009,457 | -- | -- | -- | -- | |
| ===== | | | | | | |
| Thomas E. Leafstrand | | | | | | |
| For | 36,690,444 | -- | -- | -- | -- | |
| Withhold | 1,319,013 | -- | -- | -- | -- | |
| ===== | | | | | | |

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| | | | | | |
|----------------------|------------|--------|----|----|----|
| Total | 38,009,457 | -- | -- | -- | -- |
| Peter R. Sawers | | | | | |
| For | 36,694,481 | -- | -- | -- | -- |
| Withhold | 1,314,976 | -- | -- | -- | -- |
| Total | 38,009,457 | -- | -- | -- | -- |
| William J. Schneider | | | | | |
| For | -- | 15,189 | -- | -- | -- |
| Withhold | -- | 207 | -- | -- | -- |
| Total | -- | 15,396 | -- | -- | -- |

8

NPI

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPreferred Series M | MuniPreferred Series M2 | MuniPreferred Series T | MuniPref Ser |
|---|--|--|---------------------------|----------------------------|---------------------------|-----------------|
| Timothy R. Schwertfeger | | | | | | |
| For | -- | 15,187 | -- | -- | -- | -- |
| Withhold | -- | 209 | -- | -- | -- | -- |
| Total | -- | 15,396 | -- | -- | -- | -- |
| Judith M. Stockdale | | | | | | |
| For | 36,730,289 | -- | -- | -- | -- | -- |
| Withhold | 1,279,168 | -- | -- | -- | -- | -- |
| Total | 38,009,457 | -- | -- | -- | -- | -- |
| Sheila W. Wellington | | | | | | |
| For | 36,669,125 | -- | -- | -- | -- | -- |
| Withhold | 1,340,332 | -- | -- | -- | -- | -- |
| Total | 38,009,457 | -- | -- | -- | -- | -- |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO LENDING | | | | | | |
| For | 27,997,475 | 2,876 | -- | -- | -- | -- |
| Against | 2,225,193 | 510 | -- | -- | -- | -- |
| Abstain | 1,387,478 | 71 | -- | -- | -- | -- |
| Broker Non-Vote | 6,399,311 | 11,939 | -- | -- | -- | -- |
| Total | 38,009,457 | 15,396 | -- | -- | -- | -- |

TO APPROVE A CHANGE TO A
FUNDAMENTAL INVESTMENT RESTRICTION

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| WITH RESPECT TO BORROWING | | | | | |
|--|------------|--------|-------|-------|-------|
| For | 27,878,520 | 2,875 | -- | -- | -- |
| Against | 2,321,785 | 519 | -- | -- | -- |
| Abstain | 1,409,841 | 63 | -- | -- | -- |
| Broker | | | | | |
| Non-Vote | 6,399,311 | 11,939 | -- | -- | -- |
| ----- | | | | | |
| Total | 38,009,457 | 15,396 | -- | -- | -- |
| ===== | | | | | |
| TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION AND THE TRANSACTIONS CONTEMPLATED THEREBY | | | | | |
| For | 28,245,543 | 3,063 | 520 | 357 | 627 |
| Against | 1,895,228 | 310 | 33 | 5 | 48 |
| Abstain | 1,469,375 | 84 | 19 | -- | 29 |
| Broker | | | | | |
| Non-Vote | 6,399,311 | 11,939 | 2,129 | 1,443 | 2,039 |
| ----- | | | | | |
| Total | 38,009,457 | 15,396 | 2,701 | 1,805 | 2,743 |
| ===== | | | | | |

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Shareholder
MEETING REPORT (continued)

NPM

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPreferred Series M | MuniPreferred Series T | MuniPreferred Series W | MuniPref Series |
|--------------------|--|--|---------------------------|---------------------------|---------------------------|--------------------|
| ===== | | | | | | |
| William E. Bennett | | | | | | |
| For | 23,924,442 | -- | -- | -- | -- | -- |
| Withhold | 545,934 | -- | -- | -- | -- | -- |
| ----- | | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- | -- |
| ===== | | | | | | |
| Robert P. Bremner | | | | | | |
| For | 23,931,381 | -- | -- | -- | -- | -- |
| Withhold | 538,995 | -- | -- | -- | -- | -- |
| ----- | | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- | -- |
| ===== | | | | | | |
| Lawrence H. Brown | | | | | | |
| For | 23,974,128 | -- | -- | -- | -- | -- |
| Withhold | 496,248 | -- | -- | -- | -- | -- |
| ----- | | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- | -- |
| ===== | | | | | | |
| Jack B. Evans | | | | | | |

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| | | | | | |
|----------------------|------------|--------|----|----|----|
| For | 23,929,312 | -- | -- | -- | -- |
| Withhold | 541,064 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| Anne E. Impellizzeri | | | | | |
| For | 23,917,136 | -- | -- | -- | -- |
| Withhold | 553,240 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| William L. Kissick | | | | | |
| For | 23,913,852 | -- | -- | -- | -- |
| Withhold | 556,524 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| Thomas E. Leafstrand | | | | | |
| For | 23,957,179 | -- | -- | -- | -- |
| Withhold | 513,197 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| Peter R. Sawers | | | | | |
| For | 23,961,795 | -- | -- | -- | -- |
| Withhold | 508,581 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| William J. Schneider | | | | | |
| For | -- | 12,731 | -- | -- | -- |
| Withhold | -- | 61 | -- | -- | -- |
| ----- | | | | | |
| Total | -- | 12,792 | -- | -- | -- |
| ===== | | | | | |

10

NPM

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPreferred Series M | MuniPreferred Series T | MuniPreferred Series W | MuniPref Series |
|-------------------------|--|--|---------------------------|---------------------------|---------------------------|--------------------|
| ----- | | | | | | |
| Timothy R. Schwertfeger | | | | | | |
| For | -- | 12,728 | -- | -- | -- | -- |
| Withhold | -- | 64 | -- | -- | -- | -- |
| ----- | | | | | | |
| Total | -- | 12,792 | -- | -- | -- | -- |
| ===== | | | | | | |
| Judith M. Stockdale | | | | | | |
| For | 23,945,562 | -- | -- | -- | -- | -- |
| Withhold | 524,814 | -- | -- | -- | -- | -- |
| ----- | | | | | | |

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| | | | | | |
|--|------------|--------|-------|-------|-------|
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| Sheila W. Wellington | | | | | |
| For | 23,958,166 | -- | -- | -- | -- |
| Withhold | 512,210 | -- | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | -- | -- | -- | -- |
| ===== | | | | | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO LENDING | | | | | |
| For | 17,196,364 | 2,490 | -- | -- | -- |
| Against | 1,104,637 | 128 | -- | -- | -- |
| Abstain | 743,327 | 168 | -- | -- | -- |
| Broker | | | | | |
| Non-Vote | 5,426,048 | 10,006 | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | 12,792 | -- | -- | -- |
| ===== | | | | | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO BORROWING | | | | | |
| For | 17,144,647 | 2,478 | -- | -- | -- |
| Against | 1,133,263 | 140 | -- | -- | -- |
| Abstain | 766,418 | 168 | -- | -- | -- |
| Broker | | | | | |
| Non-Vote | 5,426,048 | 10,006 | -- | -- | -- |
| ----- | | | | | |
| Total | 24,470,376 | 12,792 | -- | -- | -- |
| ===== | | | | | |
| TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION AND THE TRANSACTIONS CONTEMPLATED THEREBY | | | | | |
| For | 17,364,114 | 2,428 | 301 | 346 | 432 |
| Against | 887,104 | 187 | 7 | 76 | 15 |
| Abstain | 793,110 | 171 | 121 | 17 | -- |
| Broker | | | | | |
| Non-Vote | 5,426,048 | 10,006 | 1,463 | 2,326 | 1,441 |
| ----- | | | | | |
| Total | 24,470,376 | 12,792 | 1,892 | 2,765 | 1,888 |
| ===== | | | | | |

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Shareholder
MEETING REPORT (continued)

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | | |
|--|--|-----------------|
| Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPref Ser |
|--|--|-----------------|

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| | | |
|----------------------|------------|--------|
| ===== | | |
| William E. Bennett | | |
| For | 25,631,367 | -- |
| Withhold | 745,366 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Robert P. Bremner | | |
| For | 25,635,820 | -- |
| Withhold | 740,913 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Lawrence H. Brown | | |
| For | 25,627,896 | -- |
| Withhold | 748,837 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Jack B. Evans | | |
| For | 25,632,126 | -- |
| Withhold | 744,607 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Anne E. Impellizzeri | | |
| For | 25,610,037 | -- |
| Withhold | 766,696 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| William L. Kissick | | |
| For | 25,614,362 | -- |
| Withhold | 762,371 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Thomas E. Leafstrand | | |
| For | 25,618,494 | -- |
| Withhold | 758,239 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| Peter R. Sawers | | |
| For | 25,653,996 | -- |
| Withhold | 722,737 | -- |
| ----- | | |
| Total | 26,376,733 | -- |
| ===== | | |
| William J. Schneider | | |
| For | -- | 12,879 |
| Withhold | -- | 18 |
| ----- | | |
| Total | -- | 12,897 |
| ===== | | |

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NPT

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS:

| | Common and MuniPreferred shares voting together as a class | MuniPreferred shares voting together as a class | MuniPref Ser |
|---|--|--|-----------------|
| ===== | | | |
| Timothy R. Schwertfeger | | | |
| For | -- | 12,876 | |
| Withhold | -- | 21 | |
| Total | -- | 12,897 | |
| ===== | | | |
| Judith M. Stockdale | | | |
| For | 25,650,898 | -- | |
| Withhold | 725,835 | -- | |
| Total | 26,376,733 | -- | |
| ===== | | | |
| Sheila W. Wellington | | | |
| For | 25,630,281 | -- | |
| Withhold | 746,452 | -- | |
| Total | 26,376,733 | -- | |
| ===== | | | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO LENDING | | | |
| For | 17,788,061 | 2,906 | |
| Against | 1,356,096 | 211 | |
| Abstain | 952,845 | 112 | |
| Broker Non-Vote | 6,279,731 | 9,668 | |
| Total | 26,376,733 | 12,897 | |
| ===== | | | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO BORROWING | | | |
| For | 17,749,610 | 2,898 | |
| Against | 1,394,915 | 219 | |
| Abstain | 952,477 | 112 | |
| Broker Non-Vote | 6,279,731 | 9,668 | |
| Total | 26,376,733 | 12,897 | |
| ===== | | | |
| TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION AND THE TRANSACTIONS CONTEMPLATED THEREBY | | | |
| For | 17,947,370 | 2,911 | |
| Against | 1,191,704 | 202 | |
| Abstain | 957,928 | 116 | |
| Broker Non-Vote | 6,279,731 | 9,668 | |
| Total | 26,376,733 | 12,897 | |
| ===== | | | |

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Shareholder
MEETING REPORT (continued)

NPT

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: (CONTINUED)

| | MuniPreferred Series W | MuniPreferred Series W2 | MuniPref Series |
|----------------------|---------------------------|----------------------------|--------------------|
| William E. Bennett | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Robert P. Bremner | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Lawrence H. Brown | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Jack B. Evans | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Anne E. Impellizzeri | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| William L. Kissick | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Thomas E. Leafstrand | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Peter R. Sawers | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |

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| | | |
|----------------------|----|----|
| William J. Schneider | | |
| For | -- | -- |
| Withhold | -- | -- |
| Total | -- | -- |

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NPT

APPROVAL OF THE BOARD MEMBERS WAS REACHED AS FOLLOWS: (CONTINUED)

| | MuniPreferred Series W | MuniPreferred Series W2 | MuniPref Series |
|--|---------------------------|----------------------------|--------------------|
| Timothy R. Schwertfeger | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Judith M. Stockdale | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| Sheila W. Wellington | | | |
| For | -- | -- | |
| Withhold | -- | -- | |
| Total | -- | -- | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO LENDING | | | |
| For | -- | -- | |
| Against | -- | -- | |
| Abstain | -- | -- | |
| Broker Non-Vote | -- | -- | |
| Total | -- | -- | |
| TO APPROVE A CHANGE TO A FUNDAMENTAL INVESTMENT RESTRICTION WITH RESPECT TO BORROWING | | | |
| For | -- | -- | |
| Against | -- | -- | |
| Abstain | -- | -- | |
| Broker Non-Vote | -- | -- | |
| Total | -- | -- | |
| TO APPROVE AN AGREEMENT AND PLAN OF REORGANIZATION AND THE TRANSACTIONS CONTEMPLATED THEREBY | | | |
| For | 378 | 108 | |
| Against | 27 | 1 | |
| Abstain | 33 | 9 | |
| Broker Non-Vote | 1,198 | 390 | |

| | | |
|-------|-------|-----|
| Total | 1,636 | 508 |
|-------|-------|-----|

Report of
INDEPENDENT AUDITORS

THE BOARD OF DIRECTORS AND SHAREHOLDERS
NUVEEN PREMIUM INCOME MUNICIPAL FUND, INC.
NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC.
NUVEEN PREMIUM INCOME MUNICIPAL FUND 4, INC.

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen Premium Income Municipal Fund, Inc., Nuveen Premium Income Municipal Fund 2, Inc. and Nuveen Premium Income Municipal Fund 4, Inc. as of October 31, 2003, and the related statements of operations for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended. These financial statements and financial highlights are the responsibility of the Funds' management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights. Our procedures included confirmation of investments owned as of October 31, 2003, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen Premium Income Municipal Fund, Inc., Nuveen Premium Income Municipal Fund 2, Inc. and Nuveen Premium Income Municipal Fund 4, Inc. at October 31, 2003, the results of their operations for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the five years in the period then ended in conformity with accounting principles generally accepted in the United States.

Ernst & Young LLP

Chicago, Illinois
December 12, 2003

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Nuveen Premium Income Municipal Fund, Inc. (NPI)
 Portfolio of
 INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| ----- | | |
| | ALABAMA - 0.4% | |
| \$ 4,050 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2000, 6.125%, 12/01/16 | 6/10 at |
| ----- | | |
| | ALASKA - 1.4% | |
| | Anchorage, Alaska, General Obligation Refunding Bonds, Series 2003A: | |
| 2,000 | 5.250%, 9/01/17 - FGIC Insured | 9/13 at |
| 2,035 | 5.250%, 9/01/18 - FGIC Insured | 9/13 at |
| 10,000 | Northern Tobacco Securitization Corporation, Alaska, Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.500%, 6/01/31 | 6/10 at |
| ----- | | |
| | ARIZONA - 1.9% | |
| 5,000 | Arizona School Facilities Board, Certificates of Participation, Series 2003B, 5.250%, 9/01/18 - FGIC Insured | 9/13 at |
| 7,565 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company - Irvington Project, Series 1988A, 7.250%, 7/15/10 - FSA Insured | 1/04 at |
| 4,130 | University of Arizona, Certificates of Participation, Series 2002B, 5.125%, 6/01/18 - AMBAC Insured | 6/12 at |
| ----- | | |
| | ARKANSAS - 1.2% | |
| 3,500 | Arkansas Development Finance Authority, Drivers License Revenue Bonds, Arkansas State Police Headquarters and Wireless Data Equipment, Series 1997, 5.400%, 6/01/18 - FGIC Insured | 6/07 at |
| 480 | City of Paragould, Arkansas, Water, Sewer and Electric Revenue Bonds, Series 2000, 5.650%, 12/01/25 - AMBAC Insured | 12/10 at |
| 1,000 | Sebastian County Community Junior College District, Arkansas, General Obligation Improvement Bonds, Series 1999, 5.950%, 4/01/29 (Pre-refunded to 4/01/09) - AMBAC Insured | 4/09 at |
| 5,245 | Board of Trustees of the University of Arkansas, Athletic Facilities Revenue Bonds, Razorback Stadium Project, Series 1999, 5.050%, 9/15/20 - AMBAC Insured | 9/09 at |

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| CALIFORNIA - 12.3% | | |
|--------------------|--|----------|
| | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A: | |
| 3,700 | 5.000%, 3/01/28 | 3/13 at |
| 7,000 | 5.000%, 3/01/33 | 3/13 at |
| 10,250 | California State, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.250%, 12/01/12 (Alternative Minimum Tax) - FSA Insured | 12/08 at |
| 4,000 | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A, 6.000%, 5/01/15 | 5/12 at |
| 23,725 | State Public Works Board of the State of California, Lease Revenue Refunding Bonds, The Regents of the University of California, 1993 Series A, Various University of California Projects, 5.500%, 6/01/21 | 12/03 at |
| 11,395 | California Public Works Board, Lease Revenue Bonds, Department of Corrections, Series 1993E, 5.500%, 6/01/15 | No Op |
| 1,220 | Martinez, California, Home Mortgage Revenue Bonds, Series 1983A, 10.750%, 2/01/16 | No Op |
| 20,000 | Pomona, California, GNMA/FNMA Collateralized Securities Program Single Family Mortgage Revenue Bonds, Series 1990A, 7.600%, 5/01/23 | No Op |
| 5,000 | Sacramento Municipal Utility District, California, Electric Revenue Bonds, Series 2001N, 5.000%, 8/15/28 - MBIA Insured | 8/11 at |

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Nuveen Premium Income Municipal Fund, Inc. (NPI) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| CALIFORNIA (continued) | | |
| | San Bernardino Joint Powers Financing Authority, California, Tax Allocation Refunding Bonds, Series 1995A: | |
| \$ 6,675 | 5.750%, 10/01/15 - FSA Insured | 10/05 at |
| 10,000 | 5.750%, 10/01/25 - FSA Insured | 10/05 at |
| 10,000 | San Joaquin Hills Transportation Corridor Agency, California, Toll Road Refunding Revenue Bonds, Series 1997A, 0.000%, 1/15/31 - MBIA Insured | No Op |
| COLORADO - 4.9% | | |
| 1,635 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 2000 Series B-2, 7.250%, 10/01/31 (Alternative Minimum Tax) | 4/10 at |

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| | | |
|-----------------------------|---|----------|
| 1,400 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 1997 Series B-2, 7.000%, 5/01/26 (Alternative Minimum Tax) | 5/07 at |
| 1,025 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 1997 Series C-2, 6.875%, 11/01/28 (Alternative Minimum Tax) | 11/07 at |
| 9,450 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Op |
| 19,810 | City and County of Denver, Colorado, Excise Tax Revenue Bonds, Series 2001A, Colorado Convention Center Project, 5.500%, 9/01/18 - FSA Insured | 3/11 at |
| 8,315 | Denver, Colorado, Special Facilities Airport Revenue Bonds, United Air Lines, Inc. Project, Series 1992A, 6.875%, 10/01/32 (Alternative Minimum Tax)# | 4/04 at |
| 231 | El Paso County, Colorado, FNMA Mortgage-Backed, Single Family Mortgage Revenue Refunding Bonds, Series 1992A-2, 8.750%, 6/01/11 | No Op |
| 4,000 | Northwest Parkway Public Highway Authority, Colorado, Revenue Bonds, Senior Series 2001A, 5.250%, 6/15/41 - FSA Insured | 6/11 at |
| ----- | | |
| CONNECTICUT - 0.2% | | |
| 1,930 | State of Connecticut, General Obligation Bonds, Series 2001C, 5.500%, 12/15/16 | No Op |
| ----- | | |
| DISTRICT OF COLUMBIA - 4.0% | | |
| 9,505 | District of Columbia, Washington D.C. General Obligation Bonds, Series 1998B, 6.000%, 6/01/20 - MBIA Insured | No Op |
| 13,120 | District of Columbia Housing Finance Agency, GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1988E-4, 6.375%, 6/01/26 (Alternative Minimum Tax) | 12/04 at |
| 10,350 | District of Columbia Revenue Bonds, Association of American Medical Colleges Issue, Series 1997A, 5.375%, 2/15/27 - AMBAC Insured | 8/07 at |
| 16,665 | District of Columbia, University Revenue Bonds, Georgetown University Issue, Series 2001A, 0.000%, 4/01/32 - MBIA Insured | 4/11 a |
| ----- | | |
| FLORIDA - 2.5% | | |
| 9,290 | Florida Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 1995, 5.800%, 7/01/21 (Pre-refunded to 7/01/05) | 7/05 at |
| 8,000 | Hillsborough County Aviation Authority, Florida, Tampa International Airport Revenue Bonds, Series 2003A, 5.375%, 10/01/16 (Alternative Minimum Tax) - MBIA Insured | 10/13 at |
| 5,000 | Orange County Health Facility Authority, Florida, Hospital Revenue Bonds, Adventist Health System/Sunbelt Obligated Group, Series 2000, 6.500%, 11/15/30 | 11/10 at |

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| | | |
|----------------|--|---------|
| GEORGIA - 0.9% | | |
| 4,845 | Metropolitan Atlanta Rapid Transit Authority, Georgia, Sales Tax Revenue Bonds, Refunding Series P, 6.250%, 7/01/20 - AMBAC Insured | No Op |
| 2,750 | Savannah Housing Authority, Georgia, GNMA Collateralized Mortgage Revenue Refunding Bonds, Plantation Oak Project, Series 2000, 6.350%, 11/20/39 | 5/08 at |

| | | |
|---------------|--|----------|
| HAWAII - 1.4% | | |
| 10,000 | State of Hawaii, General Obligation Bonds, Series 2003DA, 5.250%, 9/01/21 - MBIA Insured | 9/13 at |
| 3,000 | Hawaii Department of Budget and Finance, Special Purpose Mortgage Revenue Bonds, Citizens Utilities, Series 1993, 5.538%, 12/15/23 (Alternative Minimum Tax) | 12/03 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| IDAHO - 0.5% | | |
| \$ 5,000 | Boise City, Idaho, Airport Revenue Certificates of Participation, Series 2000, 5.500%, 9/01/25 (Alternative Minimum Tax) - FGIC Insured | 9/10 at |
| ILLINOIS - 11.0% | | |
| 10,000 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Series 2001A, 5.000%, 1/01/31 - MBIA Insured | 1/11 at |
| 9,220 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1997A, 5.250%, 12/01/27 - AMBAC Insured | 12/07 at |
| 8,890 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenue, Series 1998-B1: 0.000%, 12/01/16 - FGIC Insured | No Op |
| 10,000 | 0.000%, 12/01/20 - FGIC Insured | No Op |
| 9,900 | 0.000%, 12/01/24 - FGIC Insured | No Op |
| 15,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A: 0.000%, 12/01/21 - FGIC Insured | No Op |
| 10,000 | 0.000%, 12/01/23 - FGIC Insured | No Op |

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| | | |
|--------|--|----------|
| 9,000 | City of Chicago, Illinois, Chicago-O'Hare International Airport, Special Facility Revenue Bonds, United Air Lines, Inc. Project, Series 2001A, 6.375%, 11/01/35 (Alternative Minimum Tax) (Mandatory put 5/01/13)# | No Op |
| 4,530 | City of Chicago, Illinois, Chicago-O'Hare International Airport, General Airport Second Lien, Revenue Refunding Bonds, 1993 Series C, 5.000%, 1/01/18 - MBIA Insured | 1/04 at |
| 835 | Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1996A, 7.000%, 9/01/27 (Alternative Minimum Tax) | 3/06 at |
| 1,915 | Chicago, Illinois, FNMA/GNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1997B, 6.950%, 9/01/28 (Alternative Minimum Tax) | 9/07 at |
| 8,740 | Illinois Development Finance Authority, Pollution Control Refunding Revenue Bonds, Illinois Power Company Project, Series 1994A, 5.700%, 2/01/24 - MBIA Insured | 2/04 at |
| 1,500 | Illinois Health Facilities Authority, Revenue Bonds, Highland Park Hospital Project, Series 1997A, 5.750%, 10/01/26 (Pre-refunded to 10/01/07) - MBIA Insured | 10/07 at |
| 13,820 | Illinois Health Facilities Authority, Revenue Bonds, Sherman Health Systems, Series 1997, 5.250%, 8/01/27 - AMBAC Insured | 8/07 at |
| 5,000 | Illinois Health Facilities Authority, Revenue Bonds, Edward Hospital Obligated Group, Series 2001B, 5.250%, 2/15/34 - FSA Insured | 2/11 at |
| 9,200 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Bonds, Series 1999A, 5.500%, 12/15/24 - FGIC Insured | 12/09 at |
| 3,000 | Metropolitan Pier and Exposition Authority, Illinois, Series 1996A, McCormick Place Hospitality Facilities Revenue Bonds, 7.000%, 7/01/26 | No Op |
| 4,925 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1992A, 9.000%, 6/01/06 - AMBAC Insured | No Op |
| 785 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1992B, 9.000%, 6/01/06 - AMBAC Insured | No Op |
| 3,000 | Upper Illinois River Valley Development Authority, Health Care Facilities Revenue Bonds, Series 2001, Morris Hospital Project, 6.625%, 12/01/31 | 12/11 at |

INDIANA - 4.3%

| | | |
|-------|--|---------|
| 5,000 | Center Grove 2000 Building Corporation, Indiana, First Mortgage Bonds, Series 2001, 5.500%, 1/15/26 - AMBAC Insured | 7/11 at |
| 4,565 | Indiana State Office Building Commission, Correctional Facilities Program Revenue Bonds, Series 1995A, 5.500%, 7/01/20 - AMBAC Insured | 7/05 at |
| 7,070 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A, 5.250%, 6/01/18 - FSA Insured | 6/13 at |

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Nuveen Premium Income Municipal Fund, Inc. (NPI) (continued)
 Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| INDIANA (continued) | | |
| \$ 8,000 | Steuben County Middle School Building Corporation, Indiana, First Mortgage Bonds, Series 1995, 6.375%, 7/15/16 (Pre-refunded to 7/15/05) - MBIA Insured | 7/05 at |
| 7,965 | Wawasee Community School Corporation, Indiana, New Elementary and Remodeling Building Corporation, First Mortgage Bonds, Series 2000, 5.750%, 1/15/20 | 1/12 at |
| 5,300 | Whitley County Middle School Building Corporation, Columbia City, Indiana, First Mortgage Bonds, Series 1994, 6.250%, 7/15/15 (Pre-refunded to 1/15/04) - MBIA Insured | 1/04 at |
| IOWA - 1.4% | | |
| 1,215 | City of Des Moines, Iowa, General Obligation Bonds, Series 2000D: 5.750%, 6/01/17 - MBIA Insured | 6/08 at |
| 1,410 | 5.800%, 6/01/18 - MBIA Insured | 6/08 at |
| 3,000 | Iowa Financing Authority, Private College Revenue Refunding Bonds, Drake University Project, Series 1996, 5.400%, 12/01/16 - MBIA Insured | 12/05 at |
| 4,785 | Iowa Finance Authority, Industrial Revenue Refunding Bonds, Series A 1989, No Op Urbandale Hotel Corporation Project, Remarketed, 8.500%, 8/01/16 (Alternative Minimum Tax) | |
| KANSAS - 1.3% | | |
| 11,000 | Sedgwick and Shawnee Counties, Kansas, GNMA Mortgage-Backed Securities Program, Single Family Revenue Bonds, Series 1998A-1, 6.500%, 12/01/22 (Alternative Minimum Tax) | 6/08 at |
| LOUISIANA - 3.2% | | |
| 2,915 | Jefferson Sales Tax District, Parish of Jefferson, Louisiana, Special Sales Tax Revenue Bonds, Series 2002 Refunding, 5.250%, 12/01/19 - AMBAC Insured | 12/12 at |
| 1,270 | Louisiana Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2000A, 7.450%, 12/01/31 (Alternative Minimum Tax) | 9/09 at |
| 11,860 | Louisiana Stadium and Exposition District, Hotel Occupancy Tax Bonds, Series 1995-B, 6.375%, 7/01/25 (Pre-refunded to 7/01/05) - FGIC Insured | 7/05 at |
| 7,660 | Louisiana Public Facilities Authority, Extended Care Facilities Revenue | No Op |

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| | | |
|--------|---|----------|
| | Bonds, Comm-Care Corporation Project, Series 1994, 11.000%, 2/01/14 | |
| 4,500 | Tobacco Settlement Financing Corporation, Louisiana, Asset-Backed Bonds, Series 2001B, 5.875%, 5/15/39 | 5/11 at |
| ----- | | |
| | MARYLAND - 0.4% | |
| 3,600 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.200%, 7/01/30 (Alternative Minimum Tax) | 7/10 at |
| ----- | | |
| | MASSACHUSETTS - 7.5% | |
| 10,000 | Massachusetts Bay Transportation Authority, Assessment Bonds, 2000 Series A, 5.250%, 7/01/30 | 7/10 at |
| 13,000 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan of 2000 Series B, 6.000%, 6/01/16 (Pre-refunded to 6/01/10) | 6/10 at |
| 13,250 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E, 5.250%, 1/01/21 - FSA Insured | 1/13 at |
| 4,000 | Commonwealth of Massachusetts, General Obligation Bonds, Series 2003D, 5.250%, 10/01/22 | 10/13 at |
| 2,825 | Massachusetts Industrial Finance Agency, Resource Recovery Revenue Refunding Bonds, Ogden Haverhill Project, Series 1998A, 5.450%, 12/01/12 (Alternative Minimum Tax) | 12/08 at |
| 14,750 | Massachusetts Industrial Finance Agency, General Obligation Bonds, Suffolk University, Series 1997, 5.250%, 7/01/27 - AMBAC Insured | 7/07 at |
| 8,750 | Massachusetts Housing Finance Agency, Rental Housing Mortgage Revenue Bonds, 2001 Series A, 5.850%, 7/01/35 (Alternative Minimum Tax) - AMBAC Insured | 1/11 at |
| ----- | | |
| | MICHIGAN - 5.3% | |
| 3,565 | City of Detroit, Michigan, General Obligation Bonds, Series 2003A: 5.250%, 4/01/22 - XLCA Insured | 4/13 at |
| 1,275 | 5.250%, 4/01/23 - XLCA Insured | 4/13 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | MICHIGAN (continued) | |
| \$ 2,700 | City of Detroit, Michigan, Sewage Disposal System Revenue Bonds, Series 1995-A: 5.000%, 7/01/25 (Pre-refunded to 7/01/05) - MBIA Insured | 7/05 at |

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|--|--|----------|
| 7,850 | 5.000%, 7/01/25 - MBIA Insured | 7/05 at |
| 10,510 | Hudsonville Public Schools, Counties of Ottawa and Allegan, Michigan, 1997 School Building and Site and Refunding Bonds, General Obligation Unlimited Tax, 5.150%, 5/01/22 - FGIC Insured | 5/08 at |
| 9,625 | Livonia Public Schools District, County of Wayne, State of Michigan, 1993 Refunding Bonds, General Obligation Unlimited Tax, 5.500%, 5/01/21 - FGIC Insured | 11/03 at |
| 6,600 | Michigan Housing Development Authority, Limited Obligation Multifamily Mortgage Revenue Refunding Bonds, Forest Hills Regency Square Project, Series 1999A, 5.750%, 7/01/29 | 7/07 at |
| 6,390 | Charter County of Wayne, Michigan, Airport Revenue Bonds, Detroit Metropolitan Airport, Series 2002D, 5.500%, 12/01/19 (Alternative Minimum Tax) - FGIC Insured | 12/12 at |
| ----- | | |
| MINNESOTA - 3.8% | | |
| Eden Prairie, Minnesota, GNMA Collateralized Multifamily Housing Revenue Bonds, Rolling Hills Project, Series 2001A: | | |
| 1,000 | 6.150%, 8/20/31 | 8/11 at |
| 2,000 | 6.200%, 2/20/43 | 8/11 at |
| 705 | Minneapolis/St. Paul Housing Finance Board, Minnesota, FNMA/GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1994, 7.500%, 11/01/27 (Alternative Minimum Tax) | 11/04 at |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 1998A, 5.000%, 1/01/22 - AMBAC Insured | 1/08 at |
| 5,000 | Minnesota Agricultural and Economic Development Board, Health Care System Revenue Bonds, Series 1997A, Fairview Hospital and Healthcare Services, 5.750%, 11/15/26 - MBIA Insured | 11/07 at |
| 19,460 | Housing and Redevelopment Authority of the City of Saint Paul, Minnesota, Sales Tax Revenue Refunding Bonds, Civic Center Project, Series 1996, 7.100%, 11/01/23 - FSA Insured | 11/15 at |
| ----- | | |
| MISSOURI - 4.6% | | |
| 2,760 | Missouri Housing Development Commission, Homeownership Loan Program, Single Family Mortgage Revenue Bonds, Series 1996C, 7.450%, 9/01/27 (Alternative Minimum Tax) | 3/07 at |
| Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care System, Series 2001A: | | |
| 3,000 | 5.250%, 6/01/21 - AMBAC Insured | 6/11 at |
| 14,150 | 5.250%, 6/01/28 - AMBAC Insured | 6/11 at |
| 9,765 | Missouri Housing Development Commission, Homeownership Loan Program, Single Family Mortgage Revenue Bonds, Series 1999B-1, 6.700%, 9/01/30 (Alternative Minimum Tax) | 3/09 at |
| 11,120 | Francis Howell School District, Saint Charles County, Missouri, General Obligation Bonds, Series 1994A Refunding, 7.800%, 3/01/08 - FGIC Insured | No Op |

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| | | |
|-----------------|--|-------|
| NEBRASKA - 1.1% | | |
| 8,500 | Omaha, Nebraska, General Obligation Bonds, Convention Center Project, Series 2000A, 6.500%, 12/01/30 | No Op |

| | | |
|---------------|--|----------|
| NEVADA - 9.2% | | |
| 15,000 | Clark County, Nevada, General Obligation Bond Bank, Series 2001, Southern Nevada Water Authority Loan, 5.250%, 6/01/26 - FGIC Insured | 6/11 at |
| 14,810 | Clark County School District, Nevada, General Obligation Bonds, Series 2001F, 5.500%, 6/15/18 - FSA Insured | 12/11 at |
| 10,410 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 - MBIA Insured | 6/12 at |
| 6,425 | Director of Nevada State Department of Business and Industry, Revenue Bonds, Las Vegas Monorail Project, 1st Tier Series 2000: 0.000%, 1/01/29 - AMBAC Insured | No Op |
| 12,000 | 5.375%, 1/01/40 - AMBAC Insured | 1/10 at |
| 29,410 | Colorado River Commission, Nevada, General Obligation Limited Tax Bonds, Series 1994, 5.500%, 7/01/27 | 7/04 at |

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Nuveen Premium Income Municipal Fund, Inc. (NPI) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|----------------|----------------|
|---------------------------|----------------|----------------|

| | | |
|----------------------|---|---------|
| NEW HAMPSHIRE - 0.7% | | |
| \$ 4,660 | New Hampshire Housing Finance Authority, Single Family Mortgage Revenue Bonds, 1993 Series B, 6.050%, 7/01/25 | 1/04 at |
| 1,760 | New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Revenue Bonds, 1996 Series B, 6.400%, 1/01/27 (Alternative Minimum Tax) | 7/06 at |

| | | |
|-------------------|---|----------|
| NEW JERSEY - 8.6% | | |
| 10,150 | Delaware River Port Authority, State of New Jersey and Pennsylvania, Port District Project Bonds, Series 1999B, 5.625%, 1/01/26 - FSA Insured | 1/10 at |
| 10,000 | Essex County Improvement Authority, New Jersey, General Obligation Guaranteed Lease Revenue Bonds, County Correctional Facility Project, Series 2000, 6.000%, 10/01/25 - FGIC Insured | 10/10 at |

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| | | |
|--------|---|----------|
| 13,730 | New Jersey Housing and Mortgage Finance Agency, Home Buyer Revenue Bonds, Series 1997U, 5.850%, 4/01/29 (Alternative Minimum Tax) - MBIA Insured | 10/07 at |
| | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C: | |
| 5,000 | 5.500%, 6/15/19 | 6/13 at |
| 5,410 | 5.500%, 6/15/20 | 6/13 at |
| 9,250 | 5.500%, 6/15/23 | 6/13 at |
| 10,000 | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 2003A, 5.000%, 1/01/20 - FSA Insured | 7/13 at |
| | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 2000A: | |
| 3,915 | 6.000%, 1/01/14 | No Op |
| 7,585 | 6.000%, 1/01/14 - MBIA Insured | No Op |
| ----- | | |
| | NEW MEXICO - 1.0% | |
| 2,200 | New Mexico Mortgage Finance Authority, Single Family Mortgage Program Bonds, 2000 Series D-2, 6.850%, 9/01/31 (Alternative Minimum Tax) | 3/10 at |
| 5,585 | Santa Fe County, New Mexico, Correctional System Gross Receipts Tax Revenue Bonds, Series 1997, 6.000%, 2/01/27 - FSA Insured | No Op |
| ----- | | |
| | NEW YORK - 12.3% | |
| 13,000 | Erie County Tobacco Asset Securitization Corporation, New York, Senior Tobacco Settlement Asset-Backed Bonds, Series 2000, 6.250%, 7/15/40 | 7/10 at |
| 14,580 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.250%, 12/01/26 | 6/08 at |
| 2,000 | New York Counties Tobacco Trust I, Tobacco Settlement Pass-Through Bonds, Series 2000, 6.500%, 6/01/35 | 6/10 at |
| 10,000 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996G, 5.750%, 2/01/07 | 2/06 at |
| | City of New York, New York, General Obligation Bonds, Fiscal Series 1997G: | |
| 950 | 6.000%, 10/15/26 (Pre-refunded to 10/15/07) | 10/07 at |
| 5,050 | 6.000%, 10/15/26 | 10/07 at |
| 5,000 | City of New York, New York, General Obligation Bonds, Fiscal 2003 Series J, 5.500%, 6/01/23 | 6/13 at |
| 12,500 | City of New York, General Obligation Bonds, Fiscal 2003 Series D, 5.250%, 10/15/22 | 10/13 at |
| 16,000 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1996 Series B, 5.750%, 6/15/26 - MBIA Insured | 6/06 at |
| 2,000 | Dormitory Authority of the State of New York, Revenue Bonds, Department of Health Issue, Series 1996, 5.500%, 7/01/25 - MBIA Insured | 7/06 at |
| 4,000 | New York State Energy Research and Development Authority, Facilities | 3/04 at |

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| | | |
|--------|---|---------|
| | Revenue Bonds, Series 1993A, Consolidated Edison Company of New York, Inc. Project, 6.000%, 3/15/28 (Alternative Minimum Tax) | |
| 3,695 | New York State Medical Care Facilities Finance Agency, Hospital and Nursing Home FHA-Insured Mortgage Revenue Bonds, 1993 Series B, 5.500%, 2/15/22 | 2/04 at |
| 14,000 | New York State Urban Development Corporation, Correctional and Youth Facilities Service Contract Revenue Bonds, Series 2002A, 5.500%, 1/01/17 (Mandatory put 1/01/11) | No Op |
| 7,400 | Tobacco Settlement Financing Corporation of New York State, Asset-Backed Bonds, Series 2003-A1, 5.500%, 6/01/16 | 6/10 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| ----- | | |
| | NORTH CAROLINA - 1.0% | |
| | City of Charlotte, North Carolina, Certificates of Participation, Governmental Facilities Projects, Series 2003G: | |
| \$ 5,785 | 5.250%, 6/01/22 | 6/13 at |
| 3,475 | 5.250%, 6/01/23 | 6/13 at |
| ----- | | |
| | NORTH DAKOTA - 1.2% | |
| 9,650 | Dickinson, North Dakota, Health Care Facilities Revenue Bonds, BHS Long Term Care Inc., Series 1990, 7.625%, 2/15/20 - RAAI Insured | 2/10 at |
| ----- | | |
| | OHIO - 3.1% | |
| 4,265 | County of Franklin, Ohio, Hospital Improvement Revenue Bonds, Series 2001, Children's Hospital Project, 5.500%, 5/01/28 - AMBAC Insured | 5/11 at |
| 12,360 | State of Ohio, Turnpike Revenue Bonds, 1994 Series A, Issued by the Ohio Turnpike Commission, 5.750%, 2/15/24 (Pre-refunded to 2/15/04) | 2/04 at |
| 2,720 | Ohio State University, General Receipts Bonds, Series 2003B, 5.250%, 6/01/20 | 6/13 at |
| 2,000 | County of Richland, Ohio, Hospital Facilities Revenue Refunding Bonds, Series 2000A, MedCentral Health System Obligated Group, 6.125%, 11/15/16 | 11/10 at |
| 7,000 | Stuebenville, Ohio, Hospital Facilities Revenue Refunding and Improvement Bonds, Trinity Health System, Series 2000, 6.500%, 10/01/30 | 10/10 at |
| ----- | | |
| | PENNSYLVANIA - 6.2% | |

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| | | |
|--------|---|----------|
| 15,650 | Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 1998A, 5.500%, 8/01/28 - AMBAC Insured | No Op |
| | Lancaster Higher Education Authority, Pennsylvania, Revenue Bonds, Franklin and Marshall College, Series 2003C: | |
| 1,340 | 5.250%, 4/15/15 | 4/13 at |
| 1,960 | 5.250%, 4/15/17 | 4/13 at |
| 10,000 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 1993-37A, 5.450%, 10/01/17 | 4/04 at |
| 8,405 | Philadelphia Redevelopment Authority, Pennsylvania, Multifamily Housing Mortgage Revenue Bonds, Cricket Court Apartments Project, Series 1998A, 6.200%, 4/01/25 (Alternative Minimum Tax) | 4/08 at |
| 5,295 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 1995B, 5.500%, 9/01/25 - AMBAC Insured | 9/05 at |
| 14,000 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District Project, Series 2003, 5.250%, 6/01/24 - FSA Insured | 6/13 at |
| ----- | | |
| | PUERTO RICO - 0.6% | |
| 5,770 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 1995X, 5.500%, 7/01/25 | 7/05 at |
| ----- | | |
| | RHODE ISLAND - 1.2% | |
| 1,380 | Providence Redevelopment Agency, Rhode Island, Revenue Bonds, Public Safety and Municipal Building Projects, Series 1999A, 5.625%, 4/01/15 - AMBAC Insured | 4/10 at |
| 10,000 | Rhode Island Housing and Mortgage Finance Corporation, Homeownership Opportunity Bonds, Series 35-A, 5.800%, 10/01/32 (Alternative Minimum Tax) | 10/09 at |
| ----- | | |
| | SOUTH CAROLINA - 3.9% | |
| | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2003: | |
| 5,090 | 5.250%, 12/01/18 | 12/13 at |
| 3,595 | 5.250%, 12/01/20 | 12/13 at |
| 1,865 | 5.250%, 12/01/21 | 12/13 at |
| 15,000 | South Carolina Jobs-Economic Development Authority, Hospital Revenue Bonds, Palmetto Health Alliance, 2003C, 6.375%, 8/01/34 | 8/13 at |
| 12,500 | Tobacco Settlement Revenue Management Authority, South Carolina, Tobacco Settlement Asset-Backed Bonds, Series 2001B, 6.375%, 5/15/28 | 5/11 at |

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Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| | TEXAS - 16.6% | |
| \$ 10,205 | Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/03 at |
| 3,289 | Austin Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, GNMA Collateralized Mortgage Loan, Fairway Village Project, Series 2000A, 7.375%, 6/20/35 (Alternative Minimum Tax) | 12/10 at |
| 3,000 | Brazos River Authority, Texas, Pollution Control Revenue Bonds, TXU Energy Company LLC, Series 2003C, 6.750%, 10/01/38 (Alternative Minimum Tax) | 10/13 at |
| | Clear Creek Independent School District, Galveston and Harris Counties, Texas, Unlimited Tax Schoolhouse and Refunding Bonds, Series 2000: | |
| 4,850 | 6.000%, 2/15/16 (Pre-refunded to 2/15/10) | 2/10 at |
| 175 | 6.000%, 2/15/16 | 2/10 at |
| 865 | Harlingen Housing Finance Corporation, Texas, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 2000A, 6.700%, 9/01/33 (Alternative Minimum Tax) | 9/10 at |
| 20,000 | Harris County-Houston Sports Authority, Texas, Junior Lien Revenue Refunding Bonds, Series 2001B, 5.250%, 11/15/40 - MBIA Insured | 11/11 at |
| 15,000 | Harris County, Texas, Toll Road Senior Lien Revenue Refunding Bonds, Series 1994, 5.300%, 8/15/13 - AMBAC Insured | 8/04 at |
| | Harris County Hospital District, Texas, Revenue Refunding Bonds, Series 1990: | |
| 4,205 | 7.400%, 2/15/10 - AMBAC Insured | No Op |
| 6,670 | 7.400%, 2/15/10 - AMBAC Insured | No Op |
| 19,125 | Harris County, Texas, Hospital District, Refunding Revenue Bonds, Series 2000, 6.000%, 2/15/15 - MBIA Insured | 8/10 at |
| 1,343 | Heart of Texas Housing Finance Corporation, GNMA Collateralized Mortgage Loan, Multifamily Housing Revenue Bonds, Parkside Village Project, Series 2000A, 7.400%, 9/20/35 (Alternative Minimum Tax) | 9/10 at |
| 6,000 | City of Houston, Texas, General Obligation Public Improvement Bonds, Series 2001B, 5.500%, 3/01/15 - FSA Insured | 3/11 at |
| 9,250 | City of Houston, Texas, Airport System Subordinate Lien Revenue Bonds, Series 2000B, 5.500%, 7/01/30 - FSA Insured | 7/10 at |
| 3,400 | Lower Colorado River Authority, Texas, Improvement and Revenue Refunding Bonds, Series 2003, 5.250%, 5/15/24 - AMBAC Insured | 5/13 at |
| 1,505 | Lower Colorado River Authority, Texas, Contract Revenue Refunding Bonds, Transmission Services Corporation Project, Series 2003C, 5.250%, 5/15/23 - AMBAC Insured | 5/13 at |
| 4,000 | Tarrant County Health Facilities Development Corporation, Texas, | 11/10 at |

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Hospital Revenue Bonds, Adventist Health System/ Sunbelt
Obligated Group, Series 2000, 6.700%, 11/15/30

| | | |
|--------|---|----------|
| 12,020 | Tarrant County Health Facilities Development Corporation, Texas, Mortgage Revenue Bonds, GNMA Collateralized Mortgage Loan - Eastview Nursing Home, Ebony Lake Nursing Center, Ft. Stockton Nursing Center, Nursing Center and Mission Oaks Manor, Series 2000-A1, 7.625%, 12/20/32 | 12/10 at |
| 5,000 | Tarrant Regional Water District, Texas, Water Revenue Bonds, Series 1999 Refunding and Improvement, 5.250%, 3/01/17 - FSA Insured | 3/13 at |
| 10,000 | Board of Regents of Texas A&M University, Revenue Financing System Bonds, Series 1999, 5.550%, 5/15/29 - MBIA Insured | 5/09 at |
| 25,000 | Texas Turnpike Authority, Central Texas Turnpike System, First Tier Revenue Bonds, Series 2002A, 0.000%, 8/15/24 - AMBAC Insured | No Op |

UTAH - 0.4%

| | | |
|-------|--|---------|
| 3,840 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1997 Series F, 5.750%, 7/01/28 (Alternative Minimum Tax) | 7/07 at |
|-------|--|---------|

VERMONT - 1.0%

| | | |
|-------|---|---------|
| 9,465 | Vermont Housing Finance Agency, Single Family Housing Bonds, Series 1997-9, 5.900%, 5/01/29 (Alternative Minimum Tax) - MBIA Insured | 6/07 at |
|-------|---|---------|

VIRGINIA - 0.5%

| | | |
|-------|---|----------|
| 4,900 | City of Virginia Beach Development Authority, Virginia, Multifamily Residential Rental Housing Revenue Bonds, Mayfair I & Mayfair II Apartments Project, Series 1999, 7.500%, 10/01/39 (Alternative Minimum Tax) | 10/14 at |
|-------|---|----------|

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| PRINCIPAL AMOUNT (000) | DESCRIPTION (1) | OPTION PROV |
|---------------------------|-----------------|----------------|
|---------------------------|-----------------|----------------|

WASHINGTON - 7.3%

| | | |
|-----------|---|----------|
| \$ 11,820 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 1997A: 5.650%, 7/01/32 (Alternative Minimum Tax) (Optional put 7/01/09) (Mandatory put 7/01/24) | 7/07 at |
| 8,000 | 5.650%, 7/01/32 (Alternative Minimum Tax) (Optional put 7/01/09) (Mandatory put 7/01/27) | 7/07 at |
| 5,000 | Snohomish County, Washington, Limited Tax General Obligation Bonds, Series 2001, 5.250%, 12/01/26 - MBIA Insured | 12/11 at |

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| | | |
|---|---|----------|
| 4,750 | Washington Health Care Facilities Authority, Revenue Bonds, Swedish Health Services, Series 1998, 5.125%, 11/15/22 - AMBAC Insured | 11/08 at |
| 14,500 | Washington Public Power Supply System, Nuclear Project No. 2, Refunding Revenue Bonds, Series 1998A, 5.000%, 7/01/12 | 7/08 at |
| | Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1997-A: | |
| 5,220 | 5.250%, 7/01/14 - FSA Insured | 7/07 at |
| 9,350 | 5.250%, 7/01/15 | 7/07 at |
| 7,775 | Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/18 | 7/08 at |
| ----- | | |
| WISCONSIN - 2.1% | | |
| 2,175 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Carroll College Inc. Project, Series 2001, 6.125%, 10/01/16 | 10/11 at |
| 2,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Wheaton Franciscan Services, Series 2003A, 5.250%, 8/15/25 | 8/13 at |
| 9,000 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Aurora Health Care, Series 2003, 6.400%, 4/15/33 | 4/13 at |
| 6,025 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Franciscan Sisters of Christian Health Care Ministry, Series 2003A, 6.000%, 9/01/22 | 9/13 at |
| ----- | | |
| \$ 1,444,518 | Total Long-Term Investments (cost \$1,386,528,255) - 152.4% | |
| ===== | | |
| SHORT-TERM INVESTMENTS - 0.2% | | |
| 1,425 | Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Variable Revenue Demand Bonds, Series 2001, 1.150%, 7/01/31+ | |
| ----- | | |
| \$ 1,425 | Total Short-Term Investments (cost \$1,425,000) | |
| ===== | | |
| Total Investments (cost \$1,387,953,255) - 152.6% | | |
| ----- | | |
| Other Assets Less Liabilities - 2.8% | | |
| ----- | | |
| Preferred Shares, at Liquidation Value - (55.4)% | | |
| ----- | | |
| Net Assets Applicable to Common Shares - 100% | | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or

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Moody's rating.

On December 9, 2002, UAL Corporation, the holding company of United Air Lines, Inc. filed for federal bankruptcy protection. The Adviser determined that it was likely United would not remain current on their interest payment obligations with respect to these bonds and thus has stopped accruing interest.

N/R Investment is not rated.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Premium Income Municipal Fund 2, Inc. (NPM)

Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| ----- | | |
| | ALABAMA - 0.5% | |
| \$ 3,150 | Birmingham, Alabama, Waterworks and Sewer Board, Water and Sewer Revenue Bonds, Series 2002B, 5.000%, 1/01/37 - MBIA Insured | 1/13 at |
| ----- | | |
| | ARIZONA - 1.1% | |
| 2,850 | Industrial Development Authority of the County of Maricopa, Arizona, Multifamily Housing Revenue Bonds, Place Five and the Greenery Apartments Projects, Series 1996A, 6.625%, 1/01/27 | 1/07 at |
| 3,285 | Pima County Industrial Development Authority, Arizona, Lease Obligation Revenue Refunding Bonds, Tucson Electric Power Company - Irvington Project, Series 1988A, 7.250%, 7/15/10 - FSA Insured | 1/04 at |
| ----- | | |
| | CALIFORNIA - 14.6% | |
| | California Educational Facilities Authority, Revenue Refunding Bonds, Loyola Marymount University, Series 2001A: | |
| 3,255 | 0.000%, 10/01/23 - MBIA Insured | No Op |
| 5,890 | 0.000%, 10/01/24 - MBIA Insured | No Op |
| 7,615 | 0.000%, 10/01/25 - MBIA Insured | No Op |

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| | | |
|--------|---|----------|
| 7,710 | State of California State, General Obligation Veterans Welfare Bonds, Series 1997BH, 5.250%, 12/01/12 (Alternative Minimum Tax) - FSA Insured | 12/08 at |
| 5,690 | Department of Veterans Affairs of the State of California, Home Purchase Revenue Bonds, Series 2002A, 5.300%, 12/01/21 - AMBAC Insured | 6/12 at |
| | California Department of Water Resources, Power Supply Revenue Bonds, Series 2002A: | |
| 4,000 | 6.000%, 5/01/15 | 5/12 at |
| 5,500 | 5.375%, 5/01/21 | 5/12 at |
| 7,150 | State Public Works Board of the State of California, Lease Revenue Bonds, Trustees of California State University, 1994 Series A, Various California State University Projects, 6.375%, 10/01/19 (Pre-refunded to 10/01/04) | 10/04 at |
| 17,500 | California State Public Works Board, Lease Revenue Bonds, Department of Corrections, California State Prison at Monterey County - Soledad II, Series 1994A, 6.875%, 11/01/14 (Pre-refunded to 11/01/04) | 11/04 at |
| 30,000 | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 0.000%, 1/01/21 | No Op |
| 5,000 | Los Angeles County Public Works Financing Authority, California, Revenue Bonds, Regional Park and Open Space District, Series 1994A, 6.125%, 10/01/10 (Pre-refunded to 10/01/04) | 10/04 at |
| | San Francisco Redevelopment Agency, California, Hotel Tax Revenue Bonds, Series 1994: | |
| 2,390 | 6.750%, 7/01/15 (Pre-refunded to 7/01/04) - FSA Insured | 7/04 at |
| 5,905 | 6.750%, 7/01/25 (Pre-refunded to 7/01/04) - FSA Insured | 7/04 at |
| 960 | 6.750%, 7/01/25 - FSA Insured | 7/04 at |
| 5,605 | County of San Joaquin, California, Certificates of Participation, 1994 Solid Waste System Facilities Project, 6.600%, 4/01/19 (Pre-refunded to 4/01/04) | 4/04 at |

 COLORADO - 0.5%

| | | |
|-------|--|----------|
| 15 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 1994 Series E, 8.125%, 12/01/24 (Alternative Minimum Tax) (Pre-refunded to 12/01/03) | 12/03 at |
| 1,060 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 1995 Series D, 7.375%, 6/01/26 (Alternative Minimum Tax) | 12/05 at |
| 400 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Op |
| 1,700 | City and County of Denver, Colorado, Multifamily Housing Revenue Bonds, FHA-Insured Mortgage Loan - The Boston Lofts Project, Series 1997A, 5.750%, 10/01/27 (Alternative Minimum Tax) | 10/07 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | CONNECTICUT - 0.5% | |
| \$ 3,170 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, 1996 Series C-2, 6.250%, 11/15/18 | 5/06 at |
| ----- | | |
| | DISTRICT OF COLUMBIA - 1.6% | |
| | District of Columbia, University Revenue Bonds, Georgetown University Issue, Series 2001A: | |
| 11,720 | 0.000%, 4/01/27 - MBIA Insured | 4/11 a |
| 13,780 | 0.000%, 4/01/28 - MBIA Insured | 4/11 a |
| 15,855 | 0.000%, 4/01/29 - MBIA Insured | 4/11 a |
| ----- | | |
| | FLORIDA - 1.9% | |
| 1,700 | Miami-Dade County, Florida, Beacon Tradeport Community Development District, Special Assessment Bonds, Commercial Project, Series 2002A, 5.625%, 5/01/32 - RAAI Insured | 5/12 at |
| 5,000 | Dade County, Florida, Aviation Revenue Bonds, Series 1996A, 5.750%, 10/01/18 (Alternative Minimum Tax) - MBIA Insured | 10/06 at |
| 1,100 | Florida Housing Finance Corporation, Homeowner Mortgage Revenue Bonds, 2000 Series 11, 5.850%, 1/01/22 (Alternative Minimum Tax) - FSA Insured | 1/10 at |
| 2,850 | Florida Department of Transportation, Right-of-Way Acquisition and Bridge Construction Bonds, Series 1995, 5.875%, 7/01/24 (Pre-refunded to 7/01/05) - MBIA Insured | 7/05 at |
| ----- | | |
| | GEORGIA - 1.5% | |
| 5,500 | Atlanta, Georgia, Water and Sewerage Revenue Bonds, Series 1993, 4.500%, 1/01/18 (Pre-refunded to 1/01/04) - FGIC Insured | 1/04 at |
| 300 | Fulton County Housing Authority, Georgia, GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Refunding Bonds, Series 1996A, 6.200%, 9/01/27 (Alternative Minimum Tax) | 9/06 at |
| 3,365 | Municipal Electric Authority of Georgia, Combustion Turbine Project Revenue Bonds, Series 2003A, 5.000%, 11/01/18 - MBIA Insured | 11/13 at |
| ----- | | |
| | IDAHO - 2.1% | |
| 1,095 | Idaho Housing Agency, Senior Lien Single Family Mortgage Bonds, Series 1995F, 6.450%, 7/01/27 (Alternative Minimum Tax) | 7/05 at |
| 3,235 | Idaho Housing Finance Agency, Housing Revenue Bonds, Park Place Project, 1995 Series A, FHA-Insured Mortgage Loan, 6.500%, 12/01/36 (Alternative Minimum Tax) | 6/05 at |

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| | | |
|------------------|---|---------|
| 3,160 | Idaho Housing and Finance Association, GNMA Housing Revenue Refunding Bonds, Wedgewood Terrace Project, Series 2002A-1, 7.250%, 3/20/37 | 3/12 at |
| 1,300 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 1996 Series G, 6.350%, 7/01/26 (Alternative Minimum Tax) | 7/06 at |
| 1,620 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series B, 6.250%, 7/01/22 (Alternative Minimum Tax) | 1/10 at |
| 1,890 | Idaho Housing and Finance Association, Single Family Mortgage Bonds, 2000 Series E, 5.950%, 7/01/20 (Alternative Minimum Tax) | 7/10 at |
| ----- | | |
| ILLINOIS - 19.0% | | |
| 16,200 | City of Chicago, Illinois, General Obligation Bonds, Series 1995A-1 Project Bonds, 5.125%, 1/01/25 - AMBAC Insured | 1/06 at |
| 1,000 | City of Chicago, Illinois, General Obligation Bonds, Project and Refunding Bonds, Series 1998, 5.250%, 1/01/20 - FGIC Insured | 7/08 at |
| 22,670 | City of Chicago, Illinois, General Obligation Bonds, City Colleges of Chicago Capital Improvement Project, Series 1999, 0.000%, 1/01/25 - FGIC Insured | No Op |
| 5,000 | Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, Unlimited Tax General Obligation Bonds, Dedicated Tax Revenues, Series 1999A, 0.000%, 12/01/20 - FGIC Insured | No Op |
| 1,175 | Chicago, Illinois, GNMA Collateralized Multifamily Housing Revenue Bonds, Bryn Mawr/Belle Shores Project, Series 1997, 5.800%, 6/01/23 (Alternative Minimum Tax) | 6/09 at |
| 1,650 | Chicago, Illinois, GNMA/FHA Multifamily Housing Revenue Bonds, Indiana Manor Townhomes Project, Series 2002A, 5.100%, 3/20/44 | 9/13 at |

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Nuveen Premium Income Municipal Fund 2, Inc. (NPM) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|------------------------|--|-------------|
| ----- | | |
| ILLINOIS (continued) | | |
| \$ 10,900 | Chicago Public Building Commission, Illinois, Building Revenue Bonds, Chicago Board of Education, Series 1993A, 5.750%, 12/01/18 (Pre-refunded to 12/01/03) - MBIA Insured | 12/03 at |
| 3,860 | Chicago, Illinois, Tax Increment Allocation Bonds, Read-Dunning Redevelopment Project, Series 1996B, 7.250%, 1/01/14 | 1/07 at |

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| | | |
|--------|--|---------|
| 3,530 | Chicago, Illinois, Tax Increment Allocation Bonds, Sanitary Drainage and Ship Canal Redevelopment Project, Series 1997A, 7.750%, 1/01/14 | 1/07 at |
| 4,865 | Cook County Community Consolidated School District 15, Palatine, Illinois, General Obligation Bonds, Series 2001, 0.000%, 12/01/20 - FGIC Insured | No Op |
| 6,190 | Community High School District No. 219, Niles Township, Cook County, Illinois, General Obligation Capital Appreciation Bonds, Series 2001, 0.000%, 12/01/20 - MBIA Insured | No Op |
| 2,665 | DuPage County Forest Preserve District, Illinois, General Obligation Bonds, Series 2003, 5.250%, 10/01/15 | No Op |
| 2,850 | City of East Saint Louis, Illinois, Mortgage Revenue Refunding Bonds, FHA-Insured Mortgage Loan - Dawson Manor Apartments - Section 8 Assisted, Series 1994A, 6.500%, 7/01/24 - MBIA Insured | 1/04 at |
| 3,000 | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1993C, Lutheran General Health System, 6.000%, 4/01/18 | No Op |
| 3,000 | Illinois Health Facilities Authority, Revenue Bonds, Lake Forest Hospital, Series 2003, 6.000%, 7/01/33 | 7/13 at |
| | Illinois Housing Development Authority, Housing Finance Bonds, Series 2000A: | |
| 985 | 5.750%, 9/01/10 (Alternative Minimum Tax) | 3/10 at |
| 1,245 | 6.200%, 9/01/20 (Alternative Minimum Tax) | 3/10 at |
| 11,000 | State of Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2001, 6.000%, 11/01/26 - FGIC Insured | No Op |
| 2,000 | State of Illinois, General Obligation Bonds, Illinois FIRST Program, Series 2002, 5.500%, 2/01/18 - FGIC Insured | 2/12 at |
| 9,000 | State of Illinois, General Obligation Bonds, Illinois FIRST, Series of August 2002, 5.250%, 8/01/12 - MBIA Insured | No Op |
| 4,020 | Community Unit School District No. 220 of the Counties of Lake, Cook, Kane, and McHenry, Illinois, General Obligation Bonds, Series 2002, 5.250%, 12/01/20 - FSA Insured | No Op |
| | Community Unit School District No. 60, Waukegan, Lake County, Illinois, General Obligation Bonds, Series 2001B Refunding: | |
| 3,230 | 0.000%, 11/01/19 - FSA Insured | No Op |
| 1,740 | 0.000%, 11/01/21 - FSA Insured | No Op |
| 17,945 | McHenry and Kane Counties Community Consolidated School District No. 158, Illinois, General Obligation Bonds, Series 2003, 0.000%, 1/01/22 - FGIC Insured | No Op |
| 4,505 | McHenry County Community Consolidated School District No. 047, Crystal Lake, Illinois, General Obligation Bonds, Series 1999 Refunding, 5.750%, 2/01/19 - FSA Insured | 2/09 at |
| 2,910 | Community High School District Number 154, McHenry County, Illinois, Capital Appreciation School Bonds, Series 2001, 0.000%, 1/01/21 - FGIC Insured | No Op |
| 4,540 | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A, 5.000%, 12/15/28 - MBIA Insured | 6/12 at |

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| INDIANA - 3.3% | | |
|----------------|---|----------|
| 1,000 | Ball State University Board of Trustees, Indiana, Ball State University Student Fee Revenue Bonds, Series 2002K, 5.750%, 7/01/20 - FGIC Insured | 1/12 at |
| 6,031 | Greenfield, Indiana, GNMA Multifamily Housing Revenue Bonds, Pedcor Investments Project, Series 1996A, 6.200%, 12/01/28 (Alternative Minimum Tax) | 12/05 at |
| 2,875 | Indiana Bond Bank, State Revolving Fund Program Bonds, Series 1995A, Guarantee Revenue Bonds, 6.750%, 2/01/17 | 2/05 at |
| 3,500 | Indiana Bond Bank, Special Program Bonds, Series 2000A, City of East Chicago Facilities Building Corporation Project, 6.125%, 2/01/25 - AMBAC Insured | 2/10 at |
| 5,000 | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2000, 5.375%, 12/01/25 | 12/10 at |
| 1,000 | Shelbyville Elementary School Building Corporation, Shelby County, Indiana, First Mortgage Bonds, Series 2001, 5.000%, 7/05/18 - FSA Insured | 7/11 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL PROVISION |
|------------------------|--|--------------------|
| <hr/> | | |
| IOWA - 3.4% | | |
| \$ 10,000 | Iowa Finance Authority, Hospital Facilities Revenue Bonds, Series 1998 A, Iowa Health System, 5.125%, 1/01/28 - MBIA Insured | 7/08 at |
| | Tobacco Settlement Authority, Iowa, Tobacco Settlement Asset Backed Revenue Bonds, Series 2001B: | |
| 7,000 | 5.300%, 6/01/25 | 6/11 at |
| 7,300 | 5.600%, 6/01/35 | 6/11 at |

| KANSAS - 0.2% | | |
|---------------|--|---------|
| 700 | Johnson County, Kansas, Single Family Mortgage Revenue Refunding Bonds, Series 1994, 7.100%, 5/01/12 | 5/04 at |
| 370 | Sedgwick and Shawnee Counties, Kansas, GNMA Collateralized Single Family Mortgage Revenue Refunding Bonds, Series 1994A-1, 7.900%, 5/01/24 (Alternative Minimum Tax) | No Op |

| LOUISIANA - 3.1% | | |
|------------------|--|---------|
| 1,400 | Bossier Public Trust Financing Authority, Louisiana, Single Family Mortgage Revenue Refunding Bonds, Series 1995B, 6.125%, 8/01/28 | 8/05 at |

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| | | |
|--|---|----------|
| 6,030 | East Baton Rouge Parish Mortgage Finance Authority, Louisiana, GNMA/FNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1994C, 6.350%, 10/01/28 (Alternative Minimum Tax) | 10/05 at |
| 3,230 | Jefferson Sales Tax District, Parish of Jefferson, Louisiana, Special Sales Tax Revenue Bonds, Series 2002 Refunding, 5.250%, 12/01/21 - AMBAC Insured | 12/12 at |
| 4,370 | New Orleans Home Mortgage Authority, Louisiana, GNMA/FNMA Single Family Mortgage Revenue Bonds, Series 1995A, 6.300%, 6/01/28 (Alternative Minimum Tax) | 6/05 at |
| 3,665 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/15 - FSA Insured | 12/05 at |
| ----- | | |
| MAINE - 0.0% | | |
| 205 | Maine Housing Authority, Mortgage Purchase Bonds, 1995 Series B-2, 6.300%, 11/15/26 (Alternative Minimum Tax) | 11/05 at |
| ----- | | |
| MASSACHUSETTS - 5.4% | | |
| 13,250 | Commonwealth of Massachusetts, General Obligation Bonds, Consolidated Loan, Series 2002E, 5.250%, 1/01/21 - FSA Insured | 1/13 at |
| 3,130 | Massachusetts Development Finance Agency, Pioneer Valley Resource Recovery Revenue Bonds, Eco/Springfield, LLC Project, Series 2000A, 8.375%, 7/01/14 (Alternative Minimum Tax) | No Op |
| 2,750 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, 5/12 at New England Medical Center Hospitals, Series 2002H, 5.000%, 5/15/25 - FGIC Insured | |
| 9,175 | Massachusetts Health and Educational Facilities Authority, Revenue Bonds, Berkshire Health System Issue, Series 2001E, 5.700%, 10/01/25 - RAAI Insured | 10/11 at |
| 3,605 | Massachusetts Water Resources Authority, General Revenue Bonds, 1993 Series C, 5.250%, 12/01/20 - AMBAC Insured | 12/04 at |
| ----- | | |
| MICHIGAN - 4.0% | | |
| Grand Rapids and Kent County Joint Building Authority, Michigan, Limited Tax General Obligation Bonds, Devos Place Project, Series 2001: | | |
| 7,660 | 0.000%, 12/01/21 | No Op |
| 7,955 | 0.000%, 12/01/22 | No Op |
| 8,260 | 0.000%, 12/01/23 | No Op |
| 8,575 | 0.000%, 12/01/24 | No Op |
| 8,900 | 0.000%, 12/01/25 | No Op |
| 2,000 | Michigan State Hospital Finance Authority, Revenue and Refunding Bonds, Detroit Medical Center Obligated Group, Series 1993A, 6.375%, 8/15/09 | 8/04 at |

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8,000 Michigan State Hospital Finance Authority, Hospital Revenue Refunding Bonds, Oakwood Hospital Obligated Group, Series 1993A, 5.625%, 11/01/18 (Pre-refunded to 12/15/03) - FGIC Insured 12/03 at

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Nuveen Premium Income Municipal Fund 2, Inc. (NPM) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | MINNESOTA - 5.4% | |
| \$ 3,085 | Bemidji Health Care Facilities, Minnesota, First Mortgage Revenue Bonds, North Country Health Services, Series 2002, 5.000%, 9/01/24 - RAAI Insured | 9/12 at |
| 6,995 | Champlin, Minnesota, GNMA Guaranteed Senior Housing Revenue Bonds, Champlin Shores Senior Living Center, Series 2002A, 3.000%, 12/20/43 | 6/12 at |
| 4,060 | Minneapolis-St. Paul Housing and Redevelopment Authority, Minnesota, Health Care Facility Revenue Bonds, Group Health Plan, Inc. Project, Series 1992, 6.900%, 10/15/22 (Pre-refunded to 12/01/03) | 12/03 at |
| | Minneapolis/St. Paul Housing and Redevelopment Authority, Minnesota, Revenue Bonds, HealthPartners Inc. Project, Series 2003: | |
| 1,000 | 6.000%, 12/01/18 | 12/13 at |
| 1,050 | 5.875%, 12/01/29 | 12/13 at |
| 3,000 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Subordinate Airport Revenue Bonds, Series 2001C, 5.250%, 1/01/26 - FGIC Insured | 1/11 at |
| 2,400 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/25 - FGIC Insured | 1/11 at |
| 1,965 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 2000C, 6.100%, 7/01/30 (Alternative Minimum Tax) | 7/09 at |
| 2,525 | Minnesota Housing Finance Agency, Rental Housing Bonds, Series 1995D, 5.950%, 2/01/18 - MBIA Insured | 2/05 at |
| 2,225 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, Series 1996G, 6.250%, 7/01/26 (Alternative Minimum Tax) | 1/06 at |
| 2,180 | Minnesota Housing Finance Agency, Single Family Mortgage Bonds, 1998 Series H-2, Remarketed, 6.050%, 7/01/31 (Alternative Minimum Tax) | 1/11 at |
| 2,000 | Southern Minnesota Municipal Power Agency, Power Supply System Revenue Bonds, Series 1992B, 5.750%, 1/01/11 | 1/04 at |
| ----- | | |
| | MISSOURI - 7.7% | |
| 2,000 | Missouri-Illinois Metropolitan District Bi-State Development Agency, | 10/13 at |

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| | | | |
|-------|---|--|-------------|
| | Metrolink Cross County Extension Project, Mass Transit Sales Tax Appropriation Bonds, Series 2002B, 5.000%, 10/01/32 - FSA Insured | | |
| 9,000 | Kansas City, Missouri, General Improvement Airport Revenue Bonds, Series 2003B, 5.250%, 9/01/17 - FGIC Insured | | 9/12 at |
| 6,445 | State of Missouri, General Obligation Bonds, Series 2002B, Water Pollution Control Refunding, 5.000%, 10/01/18 | | 10/12 at |
| 4,095 | State of Missouri, General Obligation Bonds, Series 2002A, Fourth State Building Refunding, 5.000%, 10/01/18 | | 10/12 at |
| | Health and Educational Facilities Authority of the State of Missouri, Revenue Bonds, SSM Health Care Project, Series 2001A: | | |
| 2,500 | 5.250%, 6/01/21 - AMBAC Insured | | 6/11 at |
| 2,000 | 5.250%, 6/01/28 - AMBAC Insured | | 6/11 at |
| 2,500 | Health and Educational Facilities Authority of the State of Missouri, Health Facilities Revenue Bonds, BJC Health System, Series 2003, 5.125%, 5/15/24 | | 5/13 at |
| 5,500 | Industrial Development Authority of the City of St. Louis, Missouri, Revenue Bonds, Kiel Center Multipurpose Arena Project, Series 1992, 7.625%, 12/01/09 (Alternative Minimum Tax) | | 12/03 at |
| | City of St. Louis, Missouri, Airport Revenue Bonds, Series 2001A, Airport Development Program: | | |
| 2,200 | 5.125%, 7/01/22 - MBIA Insured | | 7/11 at |
| 2,500 | 5.000%, 7/01/26 - MBIA Insured | | 7/11 at |
| 7,000 | City of Saint Louis, Missouri, Airport Revenue Bonds, Series 2002A, Capital Improvement Program, 5.000%, 7/01/27 - MBIA Insured | | 7/12 at |
| ----- | | | |
| | NEBRASKA - 0.2% | | |
| 1,470 | Municipal Energy Agency of Nebraska, Power Supply System Revenue Bonds, Series 2003A, 5.250%, 4/01/23 (WI, settling 11/05/03) - FSA Insured | | 4/13 at |
| 30 | | | |
| | PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
| ----- | | | |
| | NEVADA - 4.8% | | |
| \$ | 5,795 | Clark County, Nevada, Motor Vehicle Fuel Tax Highway Improvement Revenue Bonds, Series 2003, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at |
| | 4,000 | Clark County, Nevada, Industrial Development Revenue Bonds, Nevada Power Company Project, Series 1992A, 6.700%, 6/01/22 (Alternative Minimum Tax) - FGIC Insured | 12/03 at |
| | 10,410 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 - MBIA Insured | 6/12 at |

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| | | |
|-------------------|--|----------|
| 7,315 | Washoe County School District, Nevada, General Obligation Bonds, Series 2002B Refunding, 5.500%, 6/01/17 - FGIC Insured | No Op |
| ----- | | |
| NEW JERSEY - 4.8% | | |
| 5,615 | Essex County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2003, 5.125%, 12/15/20 - FSA Insured | 12/13 at |
| 4,500 | New Jersey Economic Development Authority, Insured Revenue Bonds, Educational Testing Service Issue, Series 1995A, 6.000%, 5/15/25 (Pre-refunded to 5/15/05) - MBIA Insured | 5/05 at |
| 4,310 | New Jersey Housing and Mortgage Finance Agency, Multifamily Housing Revenue Bonds, Series 1997A, 5.650%, 5/01/40 (Alternative Minimum Tax) - AMBAC Insured | 11/07 at |
| 3,400 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2003C, 5.500%, 6/15/22 | 6/13 at |
| 3,000 | New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 1991C, 6.500%, 1/01/09 | No Op |
| 3,165 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 6.125%, 6/01/42 | 6/12 at |
| 1,000 | Toms River Board of Education, General Obligation Bonds, Series 1997, 5.750%, 7/15/21 (Pre-refunded to 7/15/07) - FGIC Insured | 7/07 at |
| 3,620 | Union County Utilities Authority, New Jersey, Solid Waste Facility Subordinated Lease Revenue Bonds, Ogden Martin Systems of Union, Inc. Lessee, Series 1998A, 5.350%, 6/01/23 (Alternative Minimum Tax) - AMBAC Insured | 6/08 at |
| ----- | | |
| NEW MEXICO - 0.4% | | |
| 2,520 | New Mexico Mortgage Finance Authority, Single Family Mortgage Program Bonds, Series 1995E-2, 6.300%, 7/01/17 (Alternative Minimum Tax) | 7/05 at |
| ----- | | |
| NEW YORK - 18.4% | | |
| 2,200 | Long Island Power Authority, New York, Electric System General Revenue Bonds, Series 1998A, 5.125%, 12/01/22 - FSA Insured | 6/08 at |
| 17,365 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996F, 7.000%, 2/01/06 | No Op |
| 11,130 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996I, 5.875%, 3/15/18 | 3/06 at |
| | City of New York, New York, General Obligation Bonds, Fiscal 1997 Series I: | |
| 8,620 | 6.250%, 4/15/27 (Pre-refunded to 4/15/07) | 4/07 at |
| 3,400 | 6.250%, 4/15/27 | 4/07 at |
| | City of New York, New York, General Obligation Bonds, Fiscal Series 1996J-1: | |

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| | | |
|-------|--|---------|
| 1,415 | 5.875%, 2/15/19 (Pre-refunded to 2/15/06) | 2/06 at |
| 7,585 | 5.875%, 5/15/19 | 2/06 at |
| 3,820 | 5.500%, 2/15/26 | 2/06 at |
| 1,370 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal 1997 Series B, 5.500%, 6/15/27 - MBIA Insured | 6/07 at |
| 3,150 | New York City Municipal Water Finance Authority, New York, Water and Sewer System Revenue Bonds, Fiscal Series 1996A, 5.875%, 6/15/25 (Pre-refunded to 6/15/05) - MBIA Insured | 6/05 at |
| 4,000 | Trust for Cultural Resources of the City of New York, Revenue Bonds, Series 1997A, American Museum of Natural History, 5.650%, 4/01/27 - MBIA Insured | 4/07 at |
| | New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2004 Series B: | |
| 6,875 | 5.000%, 8/01/23 (WI, settling 11/03/03) | 8/13 at |
| 7,260 | 5.000%, 8/01/24 (WI, settling 11/03/03) | 8/13 at |

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Nuveen Premium Income Municipal Fund 2, Inc. (NPM) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| ----- | | |
| | NEW YORK (continued) | |
| \$ 2,500 | Dormitory Authority of the State of New York, City University System Consolidated Third General Resolution Bonds, 1996 Series 2, 6.000%, 7/01/20 (Pre-refunded to 7/01/06) | 7/06 at |
| | Dormitory Authority of the State of New York, Revenue Bonds, Marymount Manhattan College, Series 1999: | |
| 1,975 | 6.375%, 7/01/16 - RAAI Insured | 7/09 at |
| 2,080 | 6.375%, 7/01/17 - RAAI Insured | 7/09 at |
| 7,635 | New York State Medical Care Facilities Finance Agency, Mercy Medical Center Project Revenue Bonds, 1995 Series A, 5.875%, 11/01/15 (Pre-refunded to 5/01/05) | 5/05 at |
| 6,250 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 6.250%, 12/01/15 (Alternative Minimum Tax) - MBIA Insured | No Op |
| | Tobacco Settlement Financing Corporation of New York State, Asset Backed Bonds, Series 2003-A1: | |
| 3,400 | 5.500%, 6/01/16 | 6/10 at |
| 2,000 | 5.500%, 6/01/19 | 6/13 at |

NORTH CAROLINA - 1.0%

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| | | |
|--|---|----------|
| 2,550 | County of Cumberland, North Carolina, Hospital Facility Revenue Bonds, Cumberland County Hospital System Inc., Series 1999, Cape Fear Valley Health System, 5.250%, 10/01/19 | 10/09 at |
| 2,480 | Durham Urban Redevelopment Authority, North Carolina, FHA-Insured Mortgage Loan Revenue Bonds, Durham Hosiery Mill Project, Series 1987, 7.500%, 8/01/29 (Alternative Minimum Tax) | 8/07 at |
| 1,210 | North Carolina Housing Finance Agency, Single Family Revenue Bonds, Series 1996JJ, 6.450%, 9/01/27 (Alternative Minimum Tax) | 3/06 at |
| ----- | | |
| NORTH DAKOTA - 0.7% | | |
| 3,725 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 2000C, 6.150%, 7/01/31 (Alternative Minimum Tax) | 7/10 at |
| 520 | North Dakota Housing Finance Agency, Home Mortgage Finance Program Bonds, Series 1996B, 6.400%, 1/01/28 (Alternative Minimum Tax) | 1/07 at |
| ----- | | |
| OHIO - 4.3% | | |
| Frankling County, Ohio, Hospital Revenue Bonds, Ohio Health Corporation, Series 2003C: | | |
| 2,330 | 5.250%, 5/15/17 (WI, settling 11/05/03) - MBIA Insured | 5/13 at |
| 4,105 | 5.250%, 5/15/18 (WI, settling 11/05/03) - MBIA Insured | 5/13 at |
| 2,000 | Ohio Housing Finance Agency, Multifamily Housing Mortgage Revenue Bonds, Series 1998B-1, FHA-Insured Mortgage Loan - Courtyards of Kettering Project, 5.550%, 1/01/40 (Alternative Minimum Tax) | 1/08 at |
| 5,000 | Ohio Water Development Authority, Collateralized Water Development Revenue Refunding Bonds, 1992 Series A, The Dayton Power and Light Company Project, 6.400%, 8/15/27 | 2/04 at |
| 6,650 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Series 1998A, 5.875%, 9/01/20 (Alternative Minimum Tax) | 9/08 at |
| 6,800 | Ohio Water Development Authority, Solid Waste Disposal Revenue Bonds, Bay Shore Power Project, Convertible Series 1998B, 6.625%, 9/01/20 (Alternative Minimum Tax) | 9/09 at |
| ----- | | |
| OKLAHOMA - 0.8% | | |
| 5,000 | Oklahoma Student Loan Authority, Student Loan Revenue Bonds, Senior Lien Series 2001-A1, 5.625%, 6/01/31 (Alternative Minimum Tax) | 6/11 at |
| ----- | | |
| OREGON - 1.2% | | |
| 705 | Oregon, General Obligation Elderly and Disabled Housing Bonds, Series 1992B, 6.375%, 8/01/24 | 2/04 at |
| 2,540 | Oregon, General Obligation Veterans Welfare Bonds, Series 75, 6.000%, 4/01/27 | 10/05 at |

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| | | |
|-------|---|---------|
| 2,335 | State of Oregon, Housing and Community Services Department, Mortgage Revenue Bonds, Single Family Mortgage Program, Series 2000F, 6.250%, 7/01/28 (Alternative Minimum Tax) | 1/10 at |
| 1,715 | Portland, Oregon, Limited Tax Improvement Bonds, 1996 Series A, 5.550%, 6/01/16 | 6/06 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | PENNSYLVANIA - 0.6% | |
| \$ 2,400 | Beaver County Industrial Development Authority, Pennsylvania, Collateralized Pollution Control Revenue Refunding Bonds, Cleveland Electric Illuminating Company - Beaver Valley Project, Series 1995A, 7.750%, 7/15/25 - ACA Insured | 7/05 at |
| 1,050 | Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 1997B, 5.700%, 7/01/27 - AMBAC Insured | No Op |
| ----- | | |
| | PUERTO RICO - 0.2% | |
| 1,375 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 1995X, 5.500%, 7/01/25 | 7/05 at |
| ----- | | |
| | RHODE ISLAND - 0.2% | |
| 1,055 | Rhode Island Health and Educational Building Corporation, Revenue Bonds, Salve Regina University, Series 2002 Refunding, 5.000%, 3/15/19 - RAAI Insured | 3/12 at |
| ----- | | |
| | SOUTH CAROLINA - 7.9% | |
| 15,445 | Greenville County School District, South Carolina, Installment Purchase Revenue Bonds, Series 2002, 5.875%, 12/01/17 | 12/12 at |
| 2,500 | Greenville Hospital System Board of Trustees, South Carolina, Hospital Facilities Revenue Bonds, Series 2003A Refunding, 5.000%, 5/01/25 - AMBAC Insured | 5/13 at |
| 2,135 | Lexington County School District 4, South Carolina, Certificates of Participation, Series 1994, 7.000%, 7/01/12 (Pre-refunded to 7/01/04) | 7/04 at |
| 7,600 | Piedmont Municipal Power Agency, Electric Revenue Refunding Bonds, Series 1991, 4.000%, 1/01/23 - MBIA Insured | 1/04 at |
| 1,500 | South Carolina Jobs-Economic Development Authority, Hospital Revenue Bonds, Palmetto Health Alliance, 2003C: 6.875%, 8/01/27 | 8/13 at |

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| | | |
|---------------------|---|----------|
| 5,000 | 6.375%, 8/01/34 | 8/13 at |
| 15,000 | Tobacco Settlement Revenue Management Authority, Tobacco Settlement Asset Backed Bonds, Series 2001B, 6.000%, 5/15/22 | 5/11 at |
| ----- | | |
| SOUTH DAKOTA - 2.6% | | |
| 5,775 | South Dakota Housing Development Authority, Homeownership Mortgage Bonds, Series 1997F, 5.800%, 5/01/28 (Alternative Minimum Tax) | 5/07 at |
| 9,860 | South Dakota Building Authority, Revenue Bonds, Series 1992, 6.700%, 9/01/17 (Pre-refunded to 9/01/04) - AMBAC Insured | 9/04 at |
| ----- | | |
| TENNESSEE - 0.3% | | |
| 1,500 | Memphis-Shelby County Airport Authority, Tennessee, Airport Revenue Bonds, Series 1999D, 6.000%, 3/01/19 (Alternative Minimum Tax) - AMBAC Insured | 3/10 at |
| ----- | | |
| TEXAS - 15.4% | | |
| 2,290 | City of Austin, Texas, Town Lake Park Community Events Center Venue Project Bonds, Series 1999, 6.000%, 11/15/25 - FGIC Insured | 11/09 at |
| 5,000 | Brazos River Authority, Texas, Pollution Control Revenue Bonds, Texas Utilities Electric Company Project, Series 1998A Refunding, 5.550%, 5/01/33 (Alternative Minimum Tax) (Pre-refunded to 5/01/08) - AMBAC Insured | 5/08 at |
| 5,000 | Brazos River Authority, Texas, Pollution Control Revenue Bonds, Texas Utilities Electric Company Project, Series 1995C, 5.550%, 6/01/30 (Alternative Minimum Tax) (Pre-refunded to 4/01/08) - MBIA Insured | 4/08 at |
| 5,110 | Brazos River Authority, Texas, Pollution Control Revenue Refunding Bonds, TXU Electric Company Project, Series 1999C, 7.700%, 4/01/32 (Alternative Minimum Tax) | 4/13 at |
| 10,000 | Brazos River Harbor Navigation District, Brazoria County, Texas, Environmental Facilities Revenue Bonds, Dow Chemical Company Project, 2002 Series A-6, 6.250%, 5/15/33 (Alternative Minimum Tax) (Mandatory put 5/15/17) | 5/12 at |
| 3,345 | City of Fort Worth, Texas, Water and Sewer Revenue Bonds, Series 2001, 5.625%, 2/15/19 | 2/12 at |
| 1,635 | Garland Independent School District, Dallas County, Texas, School Building Unlimited Tax Bonds, Series 1997A, 4.000%, 2/15/15 | 2/07 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | TEXAS (continued) | |
| \$ 5,000 | Gulf Coast Industrial Development Authority, Texas, Waste Disposal Revenue Bonds, Valero Refining and Marketing Company Project, Series 1997, 5.600%, 12/01/31 (Alternative Minimum Tax) | 6/08 at |
| 2,800 | Harris County-Houston Sports Authority, Texas, Senior Lien Revenue Bonds, Series 2001G, 5.250%, 11/15/30 - MBIA Insured | 11/11 at |
| 595 | Hidalgo County Housing Finance Corporation, Texas, GNMA/FNMA Collateralized Single Family Mortgage Revenue Bonds, Series 1994A, 7.000%, 10/01/27 (Alternative Minimum Tax) | 4/04 at |
| | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B: | |
| 25,850 | 0.000%, 9/01/25 - AMBAC Insured | No Op |
| 26,610 | 0.000%, 9/01/26 - AMBAC Insured | No Op |
| 1,000 | Humble Independent School District, Harris County, Texas, Unlimited Tax Schoolhouse Bonds, Series 1997-II, 3.500%, 2/15/18 | 2/10 at |
| 6,185 | Keller Independent School District, Tarrant County, Texas, Unlimited Tax General Obligation Refunding Bonds, Series 2001, 5.250%, 8/15/26 | 8/11 at |
| 5,080 | Lake Dallas Independent School District, Denton County, Texas, General Obligation Bonds, Series 2002, 5.000%, 8/15/37 | 8/12 at |
| 1,760 | Laredo, Texas, Sports Venue Sales Tax Revenue Bonds, Series 2001, 5.750%, 3/15/16 - FGIC Insured | 3/09 at |
| 2,000 | Pearland Independent School District, Brazoria County, Texas, Unlimited Tax Schoolhouse Bonds, Series 2001A, 5.250%, 2/15/22 | 2/11 at |
| 3,935 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | 2/11 at |
| 7,490 | State of Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund, Series 1993, 6.800%, 12/01/23 (Alternative Minimum Tax) (Pre-refunded to 12/01/03) | 12/03 at |
| 3,900 | State of Texas, General Obligation Bonds, Veterans Housing Assistance Program Fund II, Series 2001C1, 5.200%, 12/01/21 (Alternative Minimum Tax) | 12/11 at |
| | Weatherford Independent School District, Parker County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001: | |
| 6,945 | 0.000%, 2/15/25 | 2/11 a |
| 6,945 | 0.000%, 2/15/27 | 2/11 a |
| ----- | | |
| | UTAH - 0.9% | |
| 890 | Utah Housing Finance Agency, Single Family Mortgage Bonds, Series 1994B, 6.450%, 7/01/14 | 7/04 at |

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| | | |
|-------------------|---|----------|
| 550 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1997 Series E2, 5.875%, 1/01/19 (Alternative Minimum Tax) | 7/07 at |
| 1,015 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 1997 Series C, 5.600%, 7/01/18 (Alternative Minimum Tax) | 1/09 at |
| 3,000 | Weber County Municipal Building Authority, Utah, Lease Revenue Bonds, Series 1994, 7.500%, 12/15/19 (Pre-refunded to 12/15/04) - RAAI Insured | 12/04 at |
| ----- | | |
| VERMONT - 0.9% | | |
| 5,635 | Vermont Housing Finance Agency, Single Family Housing Bonds, Series 1992-4, 6.400%, 11/01/25 | 11/03 at |
| ----- | | |
| WASHINGTON - 9.7% | | |
| 15,000 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 2002A, 5.450%, 7/01/37 (Alternative Minimum Tax) - AMBAC Insured | 7/12 at |
| 7,500 | Energy Northwest, Washington, Columbia Generating Station Electric Refunding Revenue Bonds, Series 2002C, 5.750%, 7/01/17 - MBIA Insured | 7/12 at |
| 5,000 | Energy Northwest, Washington, Nuclear Project No. 1, Electric Revenue Bonds, Series 2003A Refunding, 5.500%, 7/01/16 | 7/13 at |
| 7,635 | Public Hospital District No. 2, King County, Washington, Limited Tax General Obligation Bonds, Evergreen Healthcare, Series 2001A, 5.000%, 12/01/30 - AMBAC Insured | 6/11 at |
| 10,080 | King County School District No. 401, Highline, Washington, General Obligation Bonds, Series 2002, 5.500%, 12/01/16 - FGIC Insured | 6/12 at |

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|------------------------|---|-------------|
| ----- | | |
| WASHINGTON (continued) | | |
| \$ 6,965 | Port of Seattle, Washington, Revenue Bonds, Series 1999A, 5.250%, 9/01/22 - FGIC Insured | 9/12 at |
| 4,905 | State of Washington, Various Purpose General Obligation Bonds, Series 1999B, 5.000%, 1/01/19 | 1/09 at |
| ----- | | |
| WEST VIRGINIA - 2.1% | | |
| 7,000 | Harrison County Commission, West Virginia, Solid Waste Disposal Revenue Bonds, Potomac Edison Company - Harrison Station Project, | 11/03 at |

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Series 1993B, 6.250%, 5/01/23 (Alternative Minimum Tax) - AMBAC Insured

| | | |
|-------|--|----------|
| 5,000 | Mason County, West Virginia, Pollution Control Revenue Bonds, Series 2003L, Appalachian Power Company Project, 5.500%, 10/01/22 | 10/11 at |
| 1,000 | Pleasants County, West Virginia, Pollution Control Revenue Bonds, West Penn Power Company Pleasants Station Project, Series 1999E, 5.500%, 4/01/29 (Alternative Minimum Tax) - AMBAC Insured | 4/09 at |

WISCONSIN - 0.6%

| | | |
|-------|--|---------|
| 3,215 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Marshfield Clinic Project, Series 1997, 5.625%, 2/15/17 - MBIA Insured | 2/07 at |
|-------|--|---------|

\$ 1,088,981 Total Long-Term Investments (cost \$912,721,306) - 153.8%
=====

SHORT-TERM INVESTMENTS - 2.6%

| | |
|-------|--|
| 5,000 | Alachua County Health Facilities Authority, Florida, Revenue Bonds, Continuing Care Retirement Community, Oak Hammock Project, Variable Rate Demand Obligations, Series 2002A, 1.150%, 10/01/32+ |
| 5,000 | California Health Facilities Financing Authority, Sutter/CHS Insured Revenue, Variable Rate Demand Bonds, Series 1996B, 1.150%, 7/01/12 - AMBAC Insured+ |
| 3,000 | The City of New York, New York, General Obligation Adjustable Rate Bonds, Fiscal Series 1994B, Subseries B-4, 1.150%, 8/15/23 - MBIA Insured+ |
| 3,000 | New York Municipal Water Finance Authority, New York, Water and Sewer System, Variable Rate Demand Revenue Bonds, Fiscal Series 1994C, 1.150%, 6/15/23 - FGIC Insured+ |

\$ 16,000 Total Short-Term Investments (cost \$16,000,000)
=====

Total Investments (cost \$928,721,306) - 156.4%

Other Assets Less Liabilities - (0.4)%

Preferred Shares, at Liquidation Value - (56.0)%

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

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.

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*** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.

N/R Investment is not rated.

(WI) Security purchased on a when-issued basis.

+ Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Nuveen Premium Income Municipal Fund 4, Inc. (NPT)
Portfolio of
INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|---|----------------|
| ----- | | |
| | ALABAMA - 3.8% | |
| \$ 1,970 | Alabama Higher Education Loan Corporation, Student Loan Revenue Bonds, Series 1994D Refunding, 5.850%, 9/01/04 (Alternative Minimum Tax) - FSA Insured | No Op |
| 2,395 | Alabama Housing Finance Authority, Multifamily Housing Revenue Bonds, South Bay Apartments Project, Series 2000K, 5.950%, 2/01/33 (Alternative Minimum Tax) | 2/11 at |
| 11,745 | Alabama Special Care Facilities Financing Authority of Birmingham, Hospital Revenue Bonds, Daughter's of Charity National Health System - Providence Hospital and St. Vincent's Hospital, Series 1995, 5.000%, 11/01/25 | 11/05 at |
| 5,150 | Alabama 21st Century Authority, Tobacco Settlement Revenue Bonds, Series 2001, 5.750%, 12/01/16 | 12/11 at |
| ----- | | |
| | ALASKA - 0.6% | |
| 3,065 | Alaska Municipal Bond Bank Authority, General Obligation Bonds, Series 2003E, 5.250%, 12/01/26 - MBIA Insured | 12/13 at |
| ----- | | |
| | ARIZONA - 0.9% | |

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| | | |
|-------------------|---|----------|
| 5,000 | Arizona Tourism and Sports Authority, Tax Revenue Bonds, Multipurpose Stadium Facility Project, Series 2003A, 5.000%, 7/01/31 - MBIA Insured | 7/13 at |
| ----- | | |
| ARKANSAS - 0.1% | | |
| 145 | Arkansas Development Finance Authority, Single Family Mortgage Revenue Bonds, FHA-Insured or VA Guaranteed Mortgage Loans, Refunding Series 1991A, 8.000%, 8/15/11 | 2/04 at |
| 153 | Jacksonville Residential Housing Facilities Board, Arkansas, FNMA-Backed Single Family Mortgage Revenue Refunding Bonds, Series 1993A, 7.900%, 1/01/11 | 1/04 at |
| 216 | Lonoke County Residential Housing Facilities Board, Arkansas, Single Family Mortgage Revenue Refunding Bonds, Series 1993A, 7.900%, 4/01/11 | 4/05 at |
| ----- | | |
| CALIFORNIA - 5.7% | | |
| 10,000 | California Health Facilities Financing Authority, Revenue Bonds, Adventist Health System/West, Series 2003A, 5.000%, 3/01/33 | 3/13 at |
| 10,000 | State of California, General Obligation Bonds, Series 2003, 5.250%, 2/01/22 | 8/13 at |
| 4,780 | Foothill-Eastern Transportation Corridor Agency, California, Toll Road Revenue Bonds, Series 1995A, 0.000%, 1/01/14 | No Op |
| 1,000 | Golden State Tobacco Securitization Corporation, California, Tobacco Settlement Asset-Backed Bonds, Series 2003A-1, 6.750%, 6/01/39 | 6/13 at |
| 1,715 | Merced County Housing Authority, California, FNMA Multifamily Housing Revenue Refunding Bonds, Belmont Park Apartments Project, Series 1993A, 5.875%, 1/01/19 | 1/04 at |
| 5,000 | Airports Commission of the City and County of San Francisco, California, San Francisco International Airport, Second Series Revenue Bonds, Issue 8A, 6.300%, 5/01/25 (Alternative Minimum Tax) - FGIC Insured | 5/04 at |
| 1,945 | South Gate Public Financing Authority, California, Water Revenue Refunding Bonds, Series 1996A, 6.000%, 10/01/12 - FGIC Insured | No Op |
| ----- | | |
| COLORADO - 3.5% | | |
| 1,605 | Colorado Housing and Finance Authority, Single Family Program Senior Bonds, 1999 Series C-3, 6.750%, 10/01/21 | 10/09 at |
| 3,040 | City and County of Denver, Colorado, Airport System Revenue Bonds, Series 1991D, 7.750%, 11/15/13 (Alternative Minimum Tax) | No Op |

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| AMOUNT (000) | DESCRIPTION(1) | PROV |
|--------------|--|----------|
| ----- | | |
| | COLORADO (continued) | |
| \$ 10,000 | Denver Convention Center Hotel Authority, Colorado, Convention Center Hotel Senior Revenue Bonds, Series 2003A, 5.000%, 12/01/33 - XLCA Insured | 12/13 at |
| 4,345 | El Paso County School District No. 20, Academy, Colorado, General Obligation Bonds, Series 2002, 5.250%, 12/15/17 - FGIC Insured | 12/12 at |
| ----- | | |
| | CONNECTICUT - 0.6% | |
| 3,000 | Connecticut Housing Finance Authority, Housing Mortgage Finance Program Bonds, 1996 Series C-2, 6.250%, 11/15/18 | 5/06 at |
| ----- | | |
| | DISTRICT OF COLUMBIA - 5.6% | |
| 6,000 | District of Columbia, Washington D.C. General Obligation Bonds, Series 1993B2, 5.500%, 6/01/10 - FSA Insured | No Op |
| 4,250 | District of Columbia, Hospital Revenue Refunding Bonds, Medlantic Healthcare Group, Inc. Issue, Series 1993A, 5.750%, 8/15/14 - MBIA Insured | 8/06 at |
| 4,485 | District of Columbia, Washington D.C. General Obligation Bonds, Series 1993E: 6.000%, 6/01/09 - CAPMAC Insured | 12/03 at |
| 5 | 6.000%, 6/01/09 - CAPMAC Insured | 12/03 at |
| 1,585 | District of Columbia, Washington, D.C., General Obligation Refunding Bonds, Series 1993A: 6.000%, 6/01/07 - MBIA Insured | No Op |
| 7,215 | 6.000%, 6/01/07 - MBIA Insured | No Op |
| 9,670 | District of Columbia, University Revenue Bonds, Georgetown University Issue, Series 2001A: 0.000%, 4/01/26 - MBIA Insured | 4/11 a |
| 15,235 | 0.000%, 4/01/30 - MBIA Insured | 4/11 a |
| ----- | | |
| | FLORIDA - 6.3% | |
| 5,000 | Broward County Board of Education, Florida, Certificates of Participation, Series 2003, 5.000%, 7/01/28 - MBIA Insured | 7/13 at |
| 5,000 | Hillsborough County Aviation Authority, Florida, Tampa International Airport Revenue Bonds, Series 2003A, 5.250%, 10/01/18 (Alternative Minimum Tax) - MBIA Insured | 10/13 at |
| 9,000 | JEA, Florida, Water and Sewer System Revenue Bonds, 2001 Series A, 5.200%, 10/01/20 | 10/05 at |
| 5,000 | Martin County Industrial Development Authority, Florida, Industrial Development Revenue Bonds, Indiantown Cogeneration, L.P. Project, Series 1994A, 7.875%, 12/15/25 (Alternative Minimum Tax) | 12/04 at |

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| | | |
|---|---|----------|
| 1,380 | Miami-Dade County Housing Finance Authority, Florida, Multifamily Revenue Bonds, Sunset Bay Apartments Project, Series 2000-5A, 5.850%, 7/01/20 (Alternative Minimum Tax) - FSA Insured | 1/11 at |
| 9,500 | Sunrise, Florida, Utility System Revenue Refunding Bonds, Series 1998, 5.000%, 10/01/28 - AMBAC Insured | 10/18 at |
| ----- | | |
| GEORGIA - 2.4% | | |
| 3,400 | City of Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series 1999A, 5.500%, 11/01/22 - FGIC Insured | No Op |
| 2,880 | Municipal Electric Authority of Georgia, General Power Revenue Bonds, 1992B Series, 8.250%, 1/01/11 | No Op |
| 5,500 | Municipal Electric Authority of Georgia, General Power Revenue Bonds, 1993B Series, 5.700%, 1/01/19 - FGIC Insured | No Op |
| ----- | | |
| HAWAII - 1.0% | | |
| City and County of Honolulu, Hawaii, General Obligation Bonds, Refunding and Improvement Series, 1993B: | | |
| 1,580 | 5.000%, 10/01/13 | No Op |
| 3,720 | 5.000%, 10/01/13 | No Op |
| ----- | | |
| ILLINOIS - 14.6% | | |
| 4,000 | Board of Education of the City of Chicago, General Obligation Lease Certificates, 1992 Series A, 6.250%, 1/01/15 - MBIA Insured | No Op |
| 5,550 | City of Chicago, Illinois, Midway Airport Revenue Bonds, Series 2001A, 5.125%, 1/01/26 (Alternative Minimum Tax) - FSA Insured | 1/11 at |

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Nuveen Premium Income Municipal Fund 4, Inc. (NPT) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTIONAL PROVISION |
|------------------------|---|--------------------|
| ----- | | |
| ILLINOIS (continued) | | |
| \$ 5,000 | Chicago, Illinois, Sales Tax Revenue Bonds, Series 1998, 5.250%, 1/01/28 - FGIC Insured | 7/08 at |
| | Cook County School District 99, Cicero, General Obligation School Bonds, Series 1997: | |

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| | | |
|--------|--|----------|
| 1,455 | 8.500%, 12/01/13 - FGIC Insured | No Op |
| 1,685 | 8.500%, 12/01/15 - FGIC Insured | No Op |
| 6,185 | Illinois Development Finance Authority, Revenue Bonds, Greek American Nursing Project, Series 2000A, 7.600%, 4/20/40 | 4/11 at |
| 590 | Illinois Development Finance Authority, Child Care Facility Revenue Bonds, Series 1992, Illinois Facilities Fund Project, 7.400%, 9/01/04 | 3/04 at |
| 870 | Illinois Educational Facilities Authority, Revenue Bonds, Chicago College of Osteopathic Medicine, Series A, 8.750%, 7/01/05 | 1/04 at |
| | Illinois Health Facilities Authority, Revenue Refunding Bonds, Series 1993C, Lutheran General Health System: | |
| 5,705 | 7.000%, 4/01/08 | No Op |
| 4,075 | 7.000%, 4/01/14 | No Op |
| 8,190 | Illinois Housing Development Authority, Multifamily Program Bonds, 1994 Series 5, 6.650%, 9/01/14 | 9/04 at |
| 3,410 | Illinois Housing Development Authority, Section 8 Elderly Housing Revenue Bonds, Skyline Towers Apartments Project, Series 1992B, 6.875%, 11/01/17 | 11/03 at |
| 9,795 | Community Unit School District No. 220 of the Counties of Lake, Cook, Kane and McHenry, Illinois, General Obligation Bonds, Series 2002, 5.250%, 12/01/19 - FSA Insured | No Op |
| | Metropolitan Pier and Exposition Authority, Illinois, McCormick Place Expansion Project Revenue Bonds, Series 2002A: | |
| 9,500 | 0.000%, 6/15/24 - MBIA Insured | 6/22 at |
| 4,540 | 5.000%, 12/15/28 - MBIA Insured | 6/12 at |
| 34,440 | 0.000%, 6/15/40 - MBIA Insured | No Op |
| 3,050 | Regional Transportation Authority, Cook, DuPage, Kane, Lake, McHenry and Will Counties, Illinois, General Obligation Bonds, Series 1990A, 7.200%, 11/01/20 - AMBAC Insured | No Op |
| 2,912 | Wood River Township, Madison County, Illinois, General Obligation Bonds, Series 1993, 6.625%, 2/01/14 | 2/04 at |
| ----- | | |
| | INDIANA - 9.2% | |
| 22,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Clarian Health Obligated Group, Series 2000A, 5.500%, 2/15/30 - MBIA Insured | 8/10 at |
| 3,000 | Indiana Health Facility Financing Authority, Hospital Revenue Bonds, Series 1993, Columbus Regional Hospital Refunding, 7.000%, 8/15/15 - FSA Insured | No Op |
| 3,500 | Indiana Educational Facilities Authority, Educational Facilities Revenue Bonds, Series 2001, Butler University Project, 5.500%, 2/01/26 - MBIA Insured | 2/11 at |
| | Indiana Transportation Finance Authority, Highway Revenue Bonds, Series 2003A: | |
| 4,000 | 5.000%, 6/01/23 - FSA Insured | 6/13 at |
| 6,000 | 5.000%, 6/01/24 - FSA Insured | 6/13 at |

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| | | |
|-------|---|---------|
| 2,100 | Indianapolis, Indiana, Economic Development Revenue Bonds, Meadows Section 8 Project, Series 1993A, 6.000%, 7/01/23 (Alternative Minimum Tax)# | 1/04 at |
| 1,375 | Kokomo Hospital Authority, Indiana, Hospital Revenue Refunding Bonds, St. Joseph Hospital and Health Center, Series 1993, 6.250%, 8/15/05 | 2/04 at |
| 5,000 | M.S.D. of Warren Township, Vision 2005 School Building Corporation, Marion County, Indiana, First Mortgage Bonds, Series 2000, 5.500%, 7/15/20 - FGIC Insured | 1/11 at |
| 3,615 | Mooresville Consolidated School Building Corporation, Morgan County, Indiana, First Mortgage Bonds, Series 1994A, 6.200%, 7/15/15 (Pre-refunded to 1/15/04) | 1/04 at |

IOWA - 0.0%

| | | |
|-----|--|---------|
| 125 | Davenport, Iowa, Home Ownership Mortgage Revenue Refunding Bonds, Series 1994, 7.900%, 3/01/10 | 9/04 at |
|-----|--|---------|

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|------------------------|--|-------------|
| KANSAS - 1.6% | | |
| \$ 530 | Johnson County, Kansas, Single Family Mortgage Revenue Refunding Bonds, Series 1994, 7.100%, 5/01/12 | 5/04 at |
| 2,000 | City of Olathe, Kansas, Health Facilities Revenue Bonds, Olathe Medical Center Project, Series 2000A, 5.500%, 9/01/25 - AMBAC Insured | 9/10 at |
| 6,825 | Sedgwick County Unified School District No. 259, Wichita, Kansas, General Obligation Bonds, Series 2000, 3.500%, 9/01/16 | 9/10 at |
| LOUISIANA - 1.6% | | |
| 3,070 | Jefferson Sales Tax District, Parish of Jefferson, Louisiana, Special Sales Tax Revenue Bonds, Series 2002 Refunding, 5.250%, 12/01/20 - AMBAC Insured | 12/12 at |
| 5,240 | Orleans Levee District, Louisiana, Levee District General Obligation Bonds, Series 1986, 5.950%, 11/01/14 - FSA Insured | 12/05 at |
| MAINE - 3.0% | | |
| 7,520 | Maine Educational Loan Marketing Corporation, Subordinate Student Loan Revenue Bonds, Series 1994-B2, 6.250%, 11/01/06 (Alternative Minimum Tax) | No Op |
| 8,480 | Maine State Housing Authority, Mortgage Purchase Bonds, 2000 Series | 5/10 at |

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C-1, 6.050%, 11/15/31 (Alternative Minimum Tax)

| MARYLAND - 3.0% | | |
|-----------------|--|---------|
| 4,050 | Maryland Community Development Administration, Housing Revenue Bonds, Series 1996A, 5.875%, 7/01/16 | 1/07 at |
| 2,900 | Maryland Community Development Administration, Department of Housing and Community Development, Housing Revenue Bonds, Series 1997A, 6.000%, 7/01/39 (Alternative Minimum Tax) | 7/07 at |
| 6,800 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Revenue Bonds, Series 1996B, 6.400%, 7/01/28 (Alternative Minimum Tax) | 7/06 at |
| 2,315 | Montgomery County Housing Opportunities Commission, Maryland, Multifamily Housing Development Bonds, Series 2000B, 6.125%, 7/01/20 (Alternative Minimum Tax) | 7/10 at |

| MASSACHUSETTS - 0.0% | | |
|----------------------|---|---------|
| 100 | Massachusetts Housing Finance Agency, Housing Project Revenue Refunding Bonds, Series 1993A, 6.300%, 10/01/13 | 4/04 at |

| MICHIGAN - 4.8% | | |
|-----------------|---|----------|
| 10,225 | City of Detroit, Michigan, Water Supply System Revenue (Senior Lien) Bonds, Series 1997-A, 5.000%, 7/01/27 - MBIA Insured | 7/07 at |
| 2,215 | City of Hancock Hospital Finance Authority, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System, Inc., Series 1998, 4.625%, 8/01/18 - MBIA Insured | 8/08 at |
| 4,400 | Hancock Hospital Finance Authority, Michigan, FHA-Insured Mortgage Hospital Revenue Bonds, Portage Health System, Inc., Series 1998, 5.450%, 8/01/47 - MBIA Insured | 8/08 at |
| 10,500 | Michigan State Hospital Finance Authority, Hospital Revenue Bonds, Detroit Medical Center Obligated Group, Series 1998A, 5.250%, 8/15/23 | 8/08 at |
| 3,750 | Michigan Strategic Fund, Collateralized Limited Obligation Revenue Refunding Bonds, Consumers Power Company Project, Series 1993B, 5.800%, 6/15/10 - CAPMAC Insured | 12/03 at |

| MINNESOTA - 1.6% | | |
|------------------|--|----------|
| 2,585 | Minneapolis/St. Paul Housing Finance Board, Minnesota, FNMA/GNMA Mortgage-Backed Securities Program, Single Family Mortgage Revenue Bonds, Series 1997, 5.800%, 11/01/30 (Alternative Minimum Tax) | 11/07 at |
| 3,500 | Minneapolis-St. Paul Metropolitan Airports Commission, Minnesota, Airport Revenue Bonds, Series 2001A, 5.250%, 1/01/25 - FGIC Insured | 1/11 at |
| 2,720 | Minnetonka, Minnesota, GNMA Collateralized Multifamily Housing | 12/04 at |

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Revenue Refunding Bonds, Brier Creek Project, Series 1994A, 6.450%,
6/20/24

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Nuveen Premium Income Municipal Fund 4, Inc. (NPT) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | MISSISSIPPI - 1.4% | |
| \$ 2,000 | Mississippi Higher Education Assistance Corporation, Student Loan Revenue Bonds, Senior Series 1993-B, 5.800%, 9/01/06 (Alternative Minimum Tax) | 3/04 at |
| 5,180 | State of Mississippi, General Obligation Bonds, Series 2002A Refunding, 5.500%, 12/01/18 | No Op |
| ----- | | |
| | MISSOURI - 0.4% | |
| 2,000 | City of St. Louis, Missouri, Airport Revenue Bonds, Series 2001A, Airport Development Program, 5.000%, 7/01/26 - MBIA Insured | 7/11 at |
| ----- | | |
| | NEBRASKA - 2.0% | |
| 9,000 | Nebraska Higher Education Loan Program Incorporated, Senior Subordinate Bonds, Series 1993A-5A, 6.250%, 6/01/18 (Alternative Minimum Tax) - MBIA Insured | No Op |
| 1,235 | Nebraska Investment Finance Authority, Single Family Housing Revenue Bonds, 1998 Series F, 5.600%, 9/01/20 (Alternative Minimum Tax) | 3/07 at |
| ----- | | |
| | NEVADA - 4.4% | |
| 7,000 | Clark County, Nevada, Motor Vehicle Fuel Tax Highway Improvement Revenue Bonds, Series 2003, 5.000%, 7/01/23 - AMBAC Insured | 7/13 at |
| 10,420 | Clark County School District, Nevada, General Obligation Bonds, Series 2002C, 5.500%, 6/15/18 - MBIA Insured | 6/12 at |
| 4,500 | Clark County School District, Nevada, General Obligation School Improvement Bonds, Series 1991A, 7.000%, 6/01/10 - MBIA Insured | No Op |
| 1,030 | Nevada Housing Division, Single Family Mortgage Bonds, 1992 Senior Series B, 6.200%, 10/01/15 | 4/04 at |
| ----- | | |
| | NEW HAMPSHIRE - 0.0% | |

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| | | |
|---|---|---------|
| 125 | New Hampshire Housing Finance Authority, Single Family Mortgage Acquisition Revenue Bonds, 1996 Series C, 6.200%, 7/01/16 (Alternative Minimum Tax) | 1/07 at |
| ----- | | |
| NEW JERSEY - 3.4% | | |
| New Jersey Turnpike Authority, Turnpike Revenue Bonds, Series 1991C: | | |
| 2,345 | 6.500%, 1/01/16 - MBIA Insured | No Op |
| 655 | 6.500%, 1/01/16 - MBIA Insured | No Op |
| 15,000 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2002, 5.750%, 6/01/32 | 6/12 at |
| 3,125 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.750%, 6/01/39 | 6/13 at |
| ----- | | |
| NEW YORK - 14.0% | | |
| 1,000 | City of New York, New York, General Obligation Bonds, Fiscal Series 1995A, 7.000%, 8/01/04 | No Op |
| 14,310 | City of New York, New York, General Obligation Bonds, Fiscal Series 1996F, 6.500%, 2/01/05 | No Op |
| New York Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal Series 1998C: | | |
| 1,350 | 5.000%, 5/01/26 (Pre-refunded to 5/01/08) | 5/08 at |
| 15,565 | 5.000%, 5/01/26 | 5/08 at |
| New York City Transitional Finance Authority, New York, Future Tax Secured Bonds, Fiscal 2000 Series C: | | |
| 3,630 | 5.875%, 11/01/16 (Pre-refunded to 5/15/10) | 5/10 at |
| 5,000 | 5.500%, 11/01/24 | 5/10 at |
| 220 | New York City Transitional Finance Authority, Future Tax Secured Bonds, Fiscal 2000 Series A, 5.875%, 11/01/16 | 5/10 at |
| 2,320 | New York State Medical Care Facilities Finance Agency, Hospital and Nursing Home FHA-Insured Mortgage Revenue Bonds, 1992 Series B, 6.200%, 8/15/22 | 2/04 at |
| 4,200 | New York State Medical Care Facilities Finance Agency, FHA-Insured Mortgage Project Revenue Bonds, 1995 Series B, 6.150%, 2/15/35 | 2/05 at |
| New York State Medical Care Facilities Finance Agency, Hospital and Nursing Home FHA-Insured Mortgage Revenue Bonds, 1994 Series A: | | |
| 4,685 | 6.200%, 2/15/21 (Pre-refunded to 2/15/04) | 2/04 at |
| 3,365 | 6.200%, 2/15/21 | 2/04 at |

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|----------------|----------------|
|---------------------------|----------------|----------------|

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NEW YORK (continued)

| | | | |
|----|-------|---|---------|
| \$ | 7,500 | New York State Thruway Authority, General Revenue Bonds, Series C, 6.000%, 1/01/15 (Pre-refunded to 1/01/05) - FGIC Insured | 1/05 at |
| | 6,250 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC Project, Series 6, 6.250%, 12/01/15 (Alternative Minimum Tax) - MBIA Insured | No Op |
| | 5,400 | Tobacco Settlement Financing Corporation of New York State, Asset Backed Bonds, Series 2003-A1, 5.500%, 6/01/16 | 6/10 at |

NORTH CAROLINA - 2.8%

| | | | |
|--|--------|--|---------|
| | 2,675 | City of Charlotte, North Carolina, Water and Sewer System Revenue Bonds, Series 2001, 5.500%, 6/01/13 | 6/11 at |
| | 2,000 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 1992, 6.000%, 1/01/11 - MBIA Insured | No Op |
| | 10,000 | North Carolina Municipal Power Agency Number 1, Catawba Electric Revenue Bonds, Series 2003A, 5.250%, 1/01/18 - MBIA Insured | 1/13 at |

NORTH DAKOTA - 0.0%

| | | | |
|--|-----|---|---------|
| | 130 | Minot, North Dakota, Single Family Mortgage Revenue Refunding Bonds, Series 1993, 7.700%, 8/01/10 | 2/04 at |
|--|-----|---|---------|

OHIO - 4.0%

| | | | |
|--|-------|---|----------|
| | 3,705 | Akron, Bath, and Copley Joint Township Hospital District, Ohio, Hospital Facilities Revenue Bonds, Summa Health System Project, Series 1992A, 6.250%, 11/15/07 | 11/03 at |
| | 9,000 | Cleveland, Ohio, Airport System Revenue Bonds, Series 2000A, 5.000%, 1/01/31 - FSA Insured | 1/10 at |
| | 3,000 | County of Franklin, Ohio, Development Revenue Bonds, Series 1999, American Chemical Society Project, 5.800%, 10/01/14 | 10/09 at |
| | 1,000 | Franklin County, Ohio, FHA-Insured Multifamily Housing Mortgage Revenue Bonds, Hamilton Creek Apartments Project, Series 1994A, 5.550%, 7/01/24 (Alternative Minimum Tax) | 1/05 at |
| | 1,195 | Ohio Housing Finance Agency, GNMA Mortgage-Backed Securities Program, Residential Mortgage Revenue Bonds, Series 1995A-1, 6.300%, 9/01/17 | 3/05 at |
| | 4,370 | City of Toledo, Ohio, General Obligation Bonds, Series 1994, 5.750%, 12/01/09 (Pre-refunded to 12/01/04) - AMBAC Insured | 12/04 at |

OKLAHOMA - 2.9%

| | | | |
|--|-----|---|---------|
| | 630 | Oklahoma Housing Finance Agency, Single Family Mortgage Revenue | 3/10 at |
|--|-----|---|---------|

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Bonds, Homeownership Loan Program, Series 2000-C2, 6.200%, 9/01/28
(Alternative Minimum Tax)

Oklahoma County Finance Authority, Multifamily Housing First
Mortgage Revenue Bonds, Multiple Apartments Project, Series
1998A:

| | | |
|-------|--|---------|
| 3,495 | 7.000%, 4/01/18# | 4/06 at |
| 7,000 | 7.125%, 4/01/28# | 4/06 at |
| 9,815 | Tulsa County Industrial Authority, Oklahoma, First Mortgage Multifamily Housing Revenue Bonds, Stoneridge Apartments Project, Series 1999, 6.125%, 3/01/39 (Alternative Minimum Tax) | 3/11 at |
| 3,340 | Tulsa Industrial Authority, Oklahoma, Revenue and Refunding Bonds, Hillcrest Medical Center Project, Series 1996, 6.500%, 6/01/09 - CONNIE LEE/AMBAC Insured | No Op |

PENNSYLVANIA - 0.9%

| | | |
|-------|--|---------|
| 5,000 | Pennsylvania Economic Development Financing Authority, Resource Recovery Revenue Bonds, Northampton Generating Project, Senior Series 1994A, 6.400%, 1/01/09 (Alternative Minimum Tax) | 1/04 at |
|-------|--|---------|

PUERTO RICO - 3.4%

| | | |
|--------|--|---------|
| 12,390 | Puerto Rico Public Improvement, General Obligation Refunding Bonds, Series 1997, 6.500%, 7/01/13 - MBIA Insured | No Op |
| 3,470 | University of Puerto Rico, University System Revenue Bonds, Series O, 5.750%, 6/01/18 - MBIA Insured | 6/10 at |

RHODE ISLAND - 3.0%

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

Nuveen Premium Income Municipal Fund 4, Inc. (NPT) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|--|--------------------------------|----------------|
| ----- | | |
| SOUTH CAROLINA - 2.9% | | |
| Piedmont Municipal Power Agency, Electric Revenue Refunding Bonds, Series 1991: | | |
| \$ 5,000 | 6.250%, 1/01/21 - FGIC Insured | No Op |
| 5,750 | 4.000%, 1/01/23 - MBIA Insured | 1/04 at |

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| | | |
|------------------|--|----------|
| 5,085 | Piedmont Municipal Power Agency, South Carolina, Electric Revenue Bonds, 1998A Refunding Series, 5.500%, 1/01/13 - MBIA Insured | No Op |
| ----- | | |
| TENNESSEE - 0.3% | | |
| 1,500 | Metropolitan Government of Nashville and Davidson County, Tennessee, Electric System Revenue Bonds, 1998 Series A, 5.200%, 5/15/23 | 5/08 at |
| ----- | | |
| TEXAS - 16.8% | | |
| 4,500 | Alliance Airport Authority, Inc., Texas, Special Facilities Revenue Bonds, American Airlines, Inc. Project, Series 1990, 7.500%, 12/01/29 (Alternative Minimum Tax) | 12/03 at |
| 3,345 | Columbia-Brazoria Independent School District, Texas, Unlimited Tax School Building Bonds, Series 1999, 4.750%, 2/01/25 | 2/09 at |
| 8,000 | Cities of Dallas and Fort Worth, Texas, Dallas-Ft. Worth International Airport, Joint Revenue Refunding and Improvement Bonds, Series 2001A, 5.875%, 11/01/19 (Alternative Minimum Tax) - FGIC Insured | 11/11 at |
| 6,000 | Garland Housing Finance Corporation, Texas, Multifamily Housing Revenue Bonds, Legacy Pointe Apartments, Series 2000, 7.500%, 6/01/40 (Alternative Minimum Tax) | 12/11 at |
| 7,000 | Harris County, Health Facilities Development Corporation, Texas, Thermal Utility Revenue Bonds, TECO Project, Series 2003, 5.000%, 11/15/30 - MBIA Insured | 11/13 at |
| 28,305 | Houston, Texas, Hotel Occupancy Tax and Special Revenue Bonds, Convention and Entertainment Project, Series 2001B, 0.000%, 9/01/28 - AMBAC Insured | No Op |
| 7,500 | Houston, Texas, Water and Sewer System Junior Lien Revenue Refunding Bonds, Series 2002A, 5.750%, 12/01/32 - FSA Insured | No Op |
| 5,000 | City of Houston, Texas, Water and Sewer System, Junior Lien Revenue Refunding Bonds, Series 1997D, 5.000%, 12/01/25 - FGIC Insured | 12/07 at |
| 7,140 | Liberty County Housing Development Corporation, Texas, Multifamily Housing Revenue Bonds, Series 1999, 7.250%, 6/01/34 | 6/09 at |
| 404 | Midland Housing Finance Corporation, Texas, Single Family Mortgage Revenue Refunding Bonds, Series 1992A, 8.450%, 12/01/11 | 11/05 at |
| | Montgomery Independent School District, Montgomery County, Texas, Unlimited Tax School Building and Refunding Bonds, Series 2001: | |
| 2,300 | 5.500%, 2/15/21 | 2/11 at |
| 2,400 | 5.500%, 2/15/23 | 2/11 at |
| | Mount Pleasant Independent School District, Titus County, Texas, General Obligation Bonds, Series 2001 Refunding: | |
| 3,025 | 5.000%, 2/15/26 | 8/11 at |
| 3,000 | 5.125%, 2/15/31 | 8/11 at |
| 6,000 | Raven Hills Higher Education Corporation, Texas, Student Housing Revenue Bonds, Texan Hall LLC - Angelo State University, Series 2002A, 5.000%, | 8/12 at |

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8/01/25 - MBIA Insured

| | | |
|-------|---|----------|
| 3,410 | Retama Development Corporation, Special Facilities Revenue Bonds, Retama Park Racetrack Project, Series 1993, 8.750%, 12/15/12 | No Op |
| 4,700 | Spring Branch Independent School District, Harris County, Texas, Limited Tax Schoolhouse and Refunding Bonds, Series 2001, 5.125%, 2/01/26 | 2/11 at |
| 4,259 | Texas General Services Commission, Participation Interests, Series 1992, 7.500%, 9/01/22 | 9/05 at |
| 8,500 | Travis County Health Facilities Development Corporation, Texas, Hospital Revenue Bonds, Daughters of Charity National Health System, Series 1993B, 6.000%, 11/15/22 | 11/03 at |

 UTAH - 6.4%

| | | |
|-------|--|----------|
| 4,845 | Bountiful, Davis County, Utah, Hospital Revenue Refunding Bonds, South Davis Community Hospital Project, Series 1998, 5.750%, 12/15/18 | 12/08 at |
|-------|--|----------|

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| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|----------------|----------------|
|---------------------------|----------------|----------------|

UTAH (continued)

| | | |
|-----------|--|---------|
| \$ 17,570 | Intermountain Power Agency, Utah, Power Supply Revenue Refunding Bonds, Series 1997B, 5.750%, 7/01/19 - MBIA Insured | 7/07 at |
| | Intermountain Power Agency, Utah, Power Supply Revenue Bonds, Series 1996A: | |
| 5,065 | 6.150%, 7/01/14 | 7/06 at |
| 2,935 | 6.150%, 7/01/14 | 7/06 at |
| 755 | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2000 Series G, 5.875%, 7/01/27 (Alternative Minimum Tax) | 7/10 at |
| | Utah Housing Finance Agency, Single Family Mortgage Bonds, 2001 Series C: | |
| 2,325 | 5.500%, 1/01/18 (Alternative Minimum Tax) | 1/11 at |
| 690 | 5.650%, 1/01/21 (Alternative Minimum Tax) | 1/11 at |

 VIRGINIA - 1.9%

| | | |
|-------|--|---------|
| 8,190 | Hampton, Virginia, Convention Center Revenue Bonds, Series 2002, 5.000%, 1/15/35 - AMBAC Insured | 1/13 at |
| 2,645 | Suffolk Redevelopment and Housing Authority, Virginia, Multifamily Housing Revenue Refunding Bonds, Chase Heritage Project, Series 1994, 7.000%, 7/01/24 (Mandatory put 7/01/04) | 1/04 at |

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WASHINGTON - 11.2%

| | | |
|--------|---|----------|
| 1,050 | King County, Bellevue, Washington, Water and Sewer Revenue Refunding Bonds, Series 1994, 5.875%, 7/01/09 | 7/04 at |
| 1,855 | Public Utility District No. 1 of Chelan County, Washington, Chelan Hydro Consolidated System Revenue Bonds, Series 1999A, 6.200%, 7/01/34 (Alternative Minimum Tax) | 7/09 at |
| 1,035 | Covington Water District, Washington, Water Improvement and Revenue Refunding Bonds, Series 1995, 6.050%, 3/01/20 (Pre-refunded to 3/01/05) - AMBAC Insured | 3/05 at |
| 1,655 | Everett, Washington, General Obligation Bonds, Series 1997, Limited Tax, 5.125%, 9/01/17 - FSA Insured | 9/07 at |
| 1,000 | Seattle Indian Services Commission, Washington, Special Obligation Bonds, Series 1994, 6.000%, 11/01/16 | 11/04 at |
| 1,640 | Skagit County Housing Authority, Washington, GNMA Collateralized Mortgage Loan, Nursing Facility Revenue Bonds, Sea Mar Community Project, Series 1993, 7.000%, 6/20/35 | 11/04 at |
| 1,500 | Snohomish County School District 6, Mukilteo, Washington, Unlimited Tax General Obligation and Refunding Bonds, Series 1993, 5.700%, 12/01/12 - FGIC Insured | No Op |
| 1,570 | Spokane Downtown Foundation, Washington, Parking Revenue Bonds, River Park Square Project, Series 1998, 5.600%, 8/01/19# | 8/08 at |
| 8,155 | City of Tacoma, Washington, Electric System Revenue Bonds, Series 2001A Refunding, 5.750%, 1/01/20 - FSA Insured | 1/11 at |
| 4,705 | City of Tacoma, Washington, Sewer Revenue Bonds, Series 1994B Refunding, 8.000%, 12/01/08 - FGIC Insured | No Op |
| 5,000 | Tobacco Settlement Authority, Washington State, Tobacco Settlement Asset Backed Revenue Bonds, Series 2002, 6.500%, 6/01/26 | 6/13 at |
| | State of Washington, General Obligation Bonds, Series 1994B: | |
| 45 | 6.000%, 5/01/19 (Pre-refunded to 5/01/04) | 5/04 at |
| 1,955 | 6.000%, 5/01/19 (Pre-refunded to 5/01/04) | 5/04 at |
| 2,000 | Washington State Health Care Facilities Authority, Revenue Bonds, Highline Community Hospital, Series 1998, 5.000%, 8/15/21 - RAAI Insured | 8/08 at |
| 1,000 | Washington Health Care Facilities Authority, Revenue Bonds, Harrison Memorial Hospital, Series 1998, 5.000%, 8/15/28 - AMBAC Insured | 8/13 at |
| | Washington Public Power Supply System, Nuclear Project No. 2, Refunding Revenue Bonds, Series 1990A: | |
| 6,080 | 7.250%, 7/01/06 | No Op |
| 395 | 7.250%, 7/01/06 | No Op |
| 11,000 | Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1993B, 7.000%, 7/01/09 | No Op |
| 4,700 | Washington Public Power Supply System, Nuclear Project No. 3, Refunding Revenue Bonds, Series 1998A, 5.125%, 7/01/18 | 7/08 at |
| 1,400 | Washington State University, Housing and Dining System Revenue and | 10/04 at |

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Refunding Bonds, Series 1994, 6.375%, 10/01/18 (Pre-refunded to 10/01/04) - MBIA Insured

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Nuveen Premium Income Municipal Fund 4, Inc. (NPT) (continued)
Portfolio of INVESTMENTS October 31, 2003

| PRINCIPAL AMOUNT (000) | DESCRIPTION(1) | OPTION PROV |
|---------------------------|--|----------------|
| ----- | | |
| | WASHINGTON (continued) | |
| \$ 1,000 | Yakima-Tieton Irrigation District, Yakima County, Washington, Revenue Refunding Bonds, Series 1992, 6.125%, 6/01/13 (Pre-refunded to 12/01/03) - FSA Insured | 12/03 at |
| ----- | | |
| | WISCONSIN - 1.4% | |
| 7,500 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, Ministry Health Care Inc., Series 2002A, 5.250%, 2/15/32 - MBIA Insured | 2/12 at |
| \$ 922,074 | Total Long-Term Investments (cost \$849,883,833) - 153.4% | |
| ----- | | |
| | SHORT-TERM INVESTMENTS - 1.5% | |
| 3,920 | Chester County Industrial Development Authority, Pennsylvania, Archdiocese of Philadelphia, Variable Revenue Demand Bonds, Series 2001, 1.150%, 7/01/31+ | |
| 5,000 | Connecticut Health and Educational Facilities Authority, Revenue Bonds, Yale University, Variable Rate Demand Bonds, Series 1997, 1.100%, 7/01/29+ | |
| \$ 8,920 | Total Short-Term Investments (cost \$8,920,000) | |
| ===== | | |
| | Total Investments (cost \$858,803,833) - 154.9% | |
| ----- | | |
| | Other Assets Less Liabilities - 4.6% | |
| ----- | | |
| | Preferred Shares, at Liquidation Value - (59.5)% | |
| ----- | | |
| | Net Assets Applicable to Common Shares - 100% | |
| ===== | | |

(1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares.

* Optional Call Provisions (not covered by the report of independent auditors): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates.

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- ** Ratings (not covered by the report of independent auditors): Using the higher of Standard & Poor's or Moody's rating.
- *** Securities are backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities which ensures the timely payment of principal and interest. Such securities are normally considered to be equivalent to AAA rated securities.
- # Non-income producing security, in the case of a bond, generally denotes that issuer has defaulted on the payment of principal or interest or has filed for bankruptcy.
- N/R Investment is not rated.
- + Security has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term security. The rate disclosed is that currently in effect. This rate changes periodically based on market conditions or a specified market index.

See accompanying notes to financial statements.

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Statement of
ASSETS AND LIABILITIES October 31, 2003

| | PREMIUM INCOME (NPI) |
|--|-------------------------|
| ----- | |
| ASSETS | |
| Investments, at market value (cost \$1,387,953,255 \$928,721,306 and \$858,803,833, respectively) | \$1,447,395,979 |
| Cash | 14,542 |
| Receivables: | |
| Interest | 23,994,779 |
| Investments sold | 15,847,460 |
| Other assets | 44,580 |
| ----- | |
| Total assets | 1,487,297,340 |
| ----- | |
| LIABILITIES | |
| Payable for investments purchased | 12,856,883 |
| Accrued expenses: | |
| Management fees | 767,221 |
| Other | 326,579 |
| Preferred share dividends payable | 34,463 |
| ----- | |
| Total liabilities | 13,985,146 |
| ----- | |
| Preferred shares, at liquidation value | 525,000,000 |

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| | |
|---|----------------|
| Net assets applicable to Common shares | \$ 948,312,194 |
| Common shares outstanding | 63,785,430 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 14.87 |
| NET ASSETS APPLICABLE TO COMMON SHARES CONSIST OF: | |
| Common shares, \$.01 par value per share | \$ 637,854 |
| Paid-in surplus | 901,328,041 |
| Undistributed net investment income | 11,705,610 |
| Accumulated net realized gain (loss) from investments | (24,802,035) |
| Net unrealized appreciation of investments | 59,442,724 |
| Net assets applicable to Common shares | \$ 948,312,194 |
| Authorized shares: | |
| Common | 200,000,000 |
| Preferred | 1,000,000 |

See accompanying notes to financial statements.

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Statement of
OPERATIONS Year Ended October 31, 2003

| | PREMIUM INCOME (NPI) |
|---|-------------------------|
| INVESTMENT INCOME | \$78,527,498 |
| EXPENSES | |
| Management fees | 9,102,635 |
| Preferred shares - auction fees | 1,325,941 |
| Preferred shares - dividend disbursing agent fees | 60,000 |
| Shareholders' servicing agent fees and expenses | 252,451 |
| Custodian's fees and expenses | 342,288 |
| Directors' fees and expenses | 25,276 |
| Professional fees | 89,753 |
| Shareholders' reports - printing and mailing expenses | 157,029 |
| Stock exchange listing fees | 24,551 |
| Investor relations expense | 192,558 |
| Other expenses | 81,391 |
| Total expenses before custodian fee credit | 11,653,873 |
| Custodian fee credit | (48,544) |
| Net expenses | 11,605,329 |
| Net investment income | 66,922,169 |
| REALIZED AND UNREALIZED GAIN (LOSS) FROM INVESTMENTS | |

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| | |
|---|--------------|
| Net realized gain (loss) from investments | (6,491,900) |
| Change in net unrealized appreciation (depreciation) of investments | 4,768,442 |
| ----- | |
| Net gain (loss) from investments | (1,723,458) |
| ----- | |
| DISTRIBUTIONS TO PREFERRED SHAREHOLDERS | |
| From net investment income | (4,760,721) |
| From accumulated net realized gains from investments | -- |
| ----- | |
| Decrease in net assets applicable to Common shares from distributions to Preferred shareholders | (4,760,721) |
| ----- | |
| Net increase in net assets applicable to Common shares from operations | \$60,437,990 |
| ===== | |

See accompanying notes to financial statements.

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Statement of
CHANGES IN NET ASSETS

| | PREMIUM INCOME (NPI) | | PREMIUM INCOME 2 (NPM) | |
|--|------------------------|------------------------|------------------------|------------------------|
| | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 | YEAR ENDED 10/31/03 | YEAR ENDED 10/31/02 |
| ----- | | | | |
| OPERATIONS | | | | |
| Net investment income | \$ 66,922,169 | \$ 70,354,430 | \$ 44,271,502 | \$ 48,293,100 |
| Net realized gain (loss) from investments | (6,491,900) | (6,201,951) | (393,349) | 4,919,200 |
| Change in net unrealized appreciation (depreciation) of investments | 4,768,442 | (24,711,552) | (3,831,125) | (17,479,400) |
| Distributions to Preferred Shareholders: | | | | |
| From net investment income | (4,760,721) | (7,145,600) | (2,914,759) | (4,488,200) |
| From accumulated net realized gains from investments | -- | -- | (384,068) | (556,700) |
| ----- | | | | |
| Net increase in net assets applicable to Common shares from operations | 60,437,990 | 32,295,327 | 36,748,201 | 30,688,000 |
| ----- | | | | |
| DISTRIBUTIONS TO COMMON SHAREHOLDERS | | | | |
| From net investment income | (60,851,307) | (57,842,053) | (40,327,811) | (39,520,400) |
| From accumulated net realized gains from investments | -- | -- | (4,164,058) | (1,872,900) |
| ----- | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (60,851,307) | (57,842,053) | (44,491,869) | (41,393,400) |
| ----- | | | | |
| Net increase (decrease) in net assets applicable to Common shares | (413,317) | (25,546,726) | (7,743,668) | (10,705,400) |
| Net assets applicable to Common shares at the beginning of year | 948,725,511 | 974,272,237 | 627,659,264 | 638,364,600 |

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| | | | | |
|---|---------------|---------------|---------------|-------------|
| Net assets applicable to Common shares at the end of year | \$948,312,194 | \$948,725,511 | \$619,915,596 | \$627,659,2 |
| ===== | | | | |
| Undistributed net investment income at the end of year | \$ 11,705,610 | \$ 10,662,888 | \$ 8,474,976 | \$ 7,533,9 |
| ===== | | | | |

See accompanying notes to financial statements.

Notes to FINANCIAL STATEMENTS

1. GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Securities Valuation

The prices of municipal bonds in each Fund's investment portfolio are provided by a pricing service approved by the Fund's Board of Directors. When price quotes are not readily available (which is usually the case for municipal securities), the pricing service establishes fair market value based on yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, indications of value from securities dealers, evaluations of anticipated cash flows or collateral and general market conditions. If it is determined that market prices for a security are unavailable or inappropriate, the Board of Directors of the Funds, or its designee, may establish a fair value for the security. Temporary investments in securities that have variable rate and demand features qualifying them as short-term securities are valued at amortized cost, which approximates market value.

Securities Transactions

Securities transactions are recorded on a trade date basis. Realized gains and losses from such transactions are determined on the specific identification method. Securities purchased or sold on a when-issued or delayed delivery basis may have extended settlement periods. The securities so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to segregate assets with a current value at least equal to the amount of the when-issued and delayed delivery purchase commitments. At October 31, 2003, Premium Income 2 (NPM) had outstanding when-issued purchase commitments of \$22,631,568. There were no such outstanding purchase commitments in Premium

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Income (NPI) and Premium Income 4 (NPT).

Investment Income

Interest income, which includes the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis.

Professional Fees

Professional fees presented in the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of the Fund's shareholders.

Federal Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net investment income to its shareholders. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions which will enable interest from municipal securities, which is exempt from regular federal income tax, to retain such tax-exempt status when distributed to shareholders of the Funds. All monthly tax-exempt income dividends paid during the fiscal year ended October 31, 2003, have been designated Exempt Interest Dividends.

Dividends and Distributions to Common Shareholders

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

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

Preferred Shares

The Funds have issued and outstanding \$25,000 stated value Preferred shares. Each Fund's Preferred shares are issued in more than one Series. The dividend rate on each Series may change every seven days, as set pursuant to a dutch auction process by the auction agent, and is payable at or near the end of each rate period. The number of Preferred shares outstanding, by Series and in total, for each Fund is as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|-------------------|----------------------------|------------------------------|------------------------------|
| ----- | | | |
| Number of shares: | | | |
| Series M | 3,800 | 2,000 | 2,200 |
| Series M2 | 2,000 | -- | -- |
| Series T | 3,800 | 3,000 | 2,000 |

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| | | | |
|-----------|--------|--------|--------|
| Series T2 | -- | -- | 1,328 |
| Series W | 3,800 | 2,000 | 1,680 |
| Series W2 | -- | -- | 520 |
| Series TH | 3,800 | 3,000 | 2,680 |
| Series F | 3,800 | 2,000 | 1,800 |
| Series F2 | -- | 1,880 | 1,328 |
| ----- | | | |
| Total | 21,000 | 13,880 | 13,536 |
| ===== | | | |

Derivative Financial Instruments

The Funds may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. Although the Funds are authorized to invest in such financial instruments, and may do so in the future, they did not make any such investments during the fiscal year ended October 31, 2003.

Custodian Fee Credit

Each Fund has an arrangement with the custodian bank whereby certain custodian fees and expenses are reduced by credits earned on each Fund's cash on deposit with the bank. Such deposit arrangements are an alternative to overnight investments.

Use of Estimates

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

2. FUND SHARES

None of the Funds engaged in transactions in their own shares during the fiscal years ended October 31, 2003 and October 31, 2002.

3. SECURITIES TRANSACTIONS

Purchases and sales (including maturities) of investments in long-term municipal securities for the fiscal year ended October 31, 2003, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|----------------------|----------------------------|------------------------------|------------------------------|
| Purchases | \$382,251,467 | \$251,519,202 | \$151,743,576 |
| Sales and maturities | 343,654,120 | 197,657,765 | 169,274,324 |
| ===== | | | |

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4. INCOME TAX INFORMATION

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing income on taxable market discount securities and timing differences in recognizing certain gains and losses on security transactions.

At October 31, 2003, the cost of investments were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|---------------------|----------------------------|------------------------------|------------------------------|
| Cost of investments | \$1,386,976,409 | \$928,057,156 | \$858,274,321 |

Gross unrealized appreciation and gross unrealized depreciation of investments at October 31, 2003, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|---|----------------------------|------------------------------|------------------------------|
| Gross unrealized: | | | |
| Appreciation | \$ 80,569,478 | \$46,652,609 | \$ 45,886,732 |
| Depreciation | (20,149,908) | (5,466,590) | (23,277,042) |
| Net unrealized appreciation of investments | \$ 60,419,570 | \$41,186,019 | \$ 22,609,690 |

The tax components of undistributed net investment income and net realized gains at October 31, 2003, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|---|----------------------------|------------------------------|------------------------------|
| Undistributed net tax-exempt income | \$15,582,555 | \$10,923,354 | \$6,663,985 |
| Undistributed net ordinary income * | 283,509 | 258,828 | 768,631 |
| Undistributed net long-term capital gains | -- | -- | -- |

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

The tax character of distributions paid during the fiscal years ended October 31, 2003 and October 31, 2002, was designated for purposes of the dividends paid deduction as follows:

| 2003 | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|---|----------------------------|------------------------------|------------------------------|
| Distributions from net tax-exempt income | \$65,547,346 | \$43,115,363 | \$39,962,183 |
| Distributions from net ordinary income * | -- | 153,898 | 100,446 |
| Distributions from net long-term capital gains | -- | 4,545,182 | -- |

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| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|---|----------------------------|------------------------------|------------------------------|
| 2002 | | | |
| Distributions from net tax-exempt income | \$64,402,305 | \$43,699,555 | \$41,452,859 |
| Distributions from net ordinary income * | 108,695 | 118,526 | -- |
| Distributions from net long-term capital gains | -- | 2,429,675 | -- |

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

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At October 31, 2003, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|------------------|----------------------------|------------------------------|------------------------------|
| Expiration year: | | | |
| 2008 | \$12,335,442 | \$-- | \$ 2,835,520 |
| 2009 | -- | -- | -- |
| 2010 | 6,203,091 | -- | 18,079,555 |
| 2011 | 6,263,502 | 308,379 | 24,792,603 |
| Total | \$24,802,035 | \$308,379 | \$45,707,678 |

5. MANAGEMENT FEE AND OTHER TRANSACTIONS WITH AFFILIATES

Under the Funds' investment management agreements with Nuveen Advisory Corp. (the "Adviser"), a wholly owned subsidiary of Nuveen Investments, Inc. (formerly, The John Nuveen Company), each Fund pays an annual management fee, payable monthly, at the rates set forth below, which are based upon the average daily net assets (including net assets attributable to Preferred shares) of each Fund as follows:

| AVERAGE DAILY NET ASSETS (INCLUDING NET ASSETS ATTRIBUTABLE TO PREFERRED SHARES) | MANAGEMENT FEE |
|---|----------------|
| For the first \$125 million | .6500% |
| For the next \$125 million | .6375 |
| For the next \$250 million | .6250 |
| For the next \$500 million | .6125 |
| For the next \$1 billion | .6000 |
| For the next \$3 billion | .5875 |
| For net assets over \$5 billion | .5750 |

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Funds pay no compensation directly to those of its Directors who are affiliated with the Adviser or to their officers, all of whom receive remuneration for their

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services to the Funds from the Adviser or its affiliates.

6. INVESTMENT COMPOSITION

At October 31, 2003, the revenue sources by municipal purpose, expressed as a percent of total investments, were as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|-----------------------------------|----------------------------|------------------------------|------------------------------|
| Consumer Staples | 3% | 3% | 5% |
| Education and Civic Organizations | 6 | 4 | 6 |
| Healthcare | 10 | 9 | 10 |
| Housing/Multifamily | 3 | 5 | 8 |
| Housing/Single Family | 7 | 6 | 3 |
| Tax Obligation/General | 19 | 26 | 16 |
| Tax Obligation/Limited | 20 | 12 | 14 |
| Transportation | 10 | 6 | 6 |
| U.S. Guaranteed | 9 | 15 | 12 |
| Utilities | 8 | 11 | 12 |
| Water and Sewer | 2 | 2 | 7 |
| Other | 3 | 1 | 1 |
| | 100% | 100% | 100% |

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Notes to FINANCIAL STATEMENTS (continued)

Certain investments owned by the Funds are either covered by insurance issued by several private insurers or are backed by an escrow or trust containing U.S. Government or U.S. Government agency securities, both of which ensure the timely payment of principal and interest in the event of default (60% for Premium Income (NPI), 58% for Premium Income 2 (NPM) and 58% for Premium Income 4 (NPT)). Such insurance or escrow, however, does not guarantee the market value of the municipal securities or the value of any of the Funds' shares.

For additional information regarding each investment security, refer to the Portfolio of Investments of each Fund.

7. SUBSEQUENT EVENT - DISTRIBUTIONS TO COMMON SHAREHOLDERS

The Funds declared Common share dividend distributions from their tax-exempt net investment income which were paid on December 1, 2003, to shareholders of record on November 15, 2003, as follows:

| | PREMIUM INCOME (NPI) | PREMIUM INCOME 2 (NPM) | PREMIUM INCOME 4 (NPT) |
|--------------------|----------------------------|------------------------------|------------------------------|
| Dividend per share | \$.0800 | \$.0815 | \$.0710 |

Financial
HIGHLIGHTS

Financial
HIGHLIGHTS

Selected data for a Common share outstanding throughout each year:

| | Investment Operations | | | | | |
|------------------------|--|-----------------------------|---|---|---|--------|
| | Beginning Common Share Net Asset Value | Net Investment Income | Net Realized/ Unrealized Investment Gain (Loss) | Distributions from Net Investment Income to Preferred Share- holders+ | Distributions from Capital Gains to Preferred Share- holders+ | Total |
| PREMIUM INCOME (NPI) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 | \$14.87 | \$1.05 | \$ (.03) | \$ (.07) | \$ -- | \$.95 |
| 2002 | 15.27 | 1.10 | (.48) | (.11) | -- | .51 |
| 2001 | 14.23 | 1.12 | .98 | (.26) | -- | 1.84 |
| 2000 | 13.46 | 1.11 | .78 | (.33) | -- | 1.56 |
| 1999 | 15.66 | 1.09 | (2.10) | (.24) | (.02) | (1.27) |
| PREMIUM INCOME 2 (NPM) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 | 15.27 | 1.08 | (.10) | (.07) | (.01) | .90 |
| 2002 | 15.53 | 1.17 | (.30) | (.11) | (.01) | .75 |
| 2001 | 14.75 | 1.21 | .73 | (.27) | -- | 1.67 |
| 2000 | 14.61 | 1.22 | .20 | (.34) | -- | 1.08 |
| 1999 | 16.15 | 1.18 | (1.48) | (.24) | (.01) | (.55) |
| PREMIUM INCOME 4 (NPT) | | | | | | |
| Year Ended 10/31: | | | | | | |
| 2003 | 13.46 | .93 | (.32) | (.07) | -- | .54 |
| 2002 | 14.22 | 1.00 | (.80) | (.11) | -- | .09 |
| 2001 | 13.54 | 1.08 | .66 | (.25) | -- | 1.49 |
| 2000 | 13.50 | 1.11 | .07 | (.32) | -- | .86 |
| 1999 | 15.05 | 1.09 | (1.56) | (.24) | -- | (.71) |

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| | Offering Costs and Preferred Share Underwriting Discounts | Ending Common Share Net Asset Value | Ending Market Value | Total Returns | |
|------------------------|--|---|---------------------------|---------------------------------|---|
| | | | | Based on Market Value* | Based on Common Share Net Asset Value* |
| PREMIUM INCOME (NPI) | | | | | |
| Year Ended 10/31: | | | | | |
| 2003 | \$ -- | \$14.87 | \$14.0600 | 6.48% | 6.58% |
| 2002 | -- | 14.87 | 14.1100 | 5.51 | 3.47 |
| 2001 | -- | 15.27 | 14.2500 | 26.60 | 13.22 |
| 2000 | -- | 14.23 | 11.9375 | 4.10 | 12.03 |
| 1999 | (.01) | 13.46 | 12.2500 | (14.03) | (8.59) |
| PREMIUM INCOME 2 (NPM) | | | | | |
| Year Ended 10/31: | | | | | |
| 2003 | -- | 15.09 | 14.2500 | 6.57 | 6.07 |
| 2002 | -- | 15.27 | 14.4000 | 5.59 | 5.03 |
| 2001 | -- | 15.53 | 14.6100 | 17.31 | 11.63 |
| 2000 | -- | 14.75 | 13.2500 | (2.03) | 7.71 |
| 1999 | (.01) | 14.61 | 14.5000 | (8.59) | (3.66) |
| PREMIUM INCOME 4 (NPT) | | | | | |
| Year Ended 10/31: | | | | | |
| 2003 | -- | 13.15 | 12.5200 | 3.09 | 4.12 |
| 2002 | -- | 13.46 | 12.9700 | .52 | .76 |
| 2001 | -- | 14.22 | 13.7500 | 18.68 | 11.28 |
| 2000 | -- | 13.54 | 12.3125 | 3.28 | 6.58 |
| 1999 | (.01) | 13.50 | 12.7500 | (8.77) | (5.03) |

Ratios/Supplemental Data

| | Before Credit | | | After Credit | |
|----------------------|--|---|---|---|--|
| | Ending Net Assets Applicable to Common Shares (000) | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ | Ratio of Expenses to Average Net Assets Applicable to Common Shares++ | Ratio of Net Investment Income to Average Net Assets Applicable to Common Shares++ |
| PREMIUM INCOME (NPI) | | | | | |
| Year Ended 10/31: | | | | | |
| 2003 | \$948,312 | 1.22% | 7.02% | 1.22% | |
| 2002 | 948,726 | 1.22 | 7.39 | 1.22 | |
| 2001 | 974,272 | 1.22 | 7.49 | 1.21 | |
| 2000 | 907,640 | 1.28 | 8.09 | 1.27 | |
| 1999 | 858,491 | 1.18 | 7.28 | 1.17 | |

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PREMIUM INCOME 2 (NPM)

Year Ended 10/31:

| | | | | |
|------|---------|------|------|------|
| 2003 | 619,916 | 1.22 | 7.06 | 1.21 |
| 2002 | 627,659 | 1.22 | 7.70 | 1.21 |
| 2001 | 638,365 | 1.23 | 7.93 | 1.21 |
| 2000 | 605,973 | 1.23 | 8.38 | 1.22 |
| 1999 | 600,481 | 1.15 | 7.60 | 1.15 |

PREMIUM INCOME 4 (NPT)

Year Ended 10/31:

| | | | | |
|------|---------|------|------|------|
| 2003 | 568,776 | 1.36 | 6.95 | 1.35 |
| 2002 | 581,961 | 1.36 | 7.36 | 1.35 |
| 2001 | 614,989 | 1.34 | 7.73 | 1.33 |
| 2000 | 585,387 | 1.27 | 8.22 | 1.26 |
| 1999 | 583,541 | 1.20 | 7.51 | 1.20 |

Preferred Shares at End of Period

| Aggregate Amount Outstanding (000) | Liquidation and Market Value Per Share | Asset Coverage Per Share |
|---|---|--------------------------------|
| | | |

PREMIUM INCOME (NPI)

Year Ended 10/31:

| | | | |
|------|-----------|----------|----------|
| 2003 | \$525,000 | \$25,000 | \$70,158 |
| 2002 | 525,000 | 25,000 | 70,177 |
| 2001 | 525,000 | 25,000 | 71,394 |
| 2000 | 525,000 | 25,000 | 68,221 |
| 1999 | 525,000 | 25,000 | 65,881 |

PREMIUM INCOME 2 (NPM)

Year Ended 10/31:

| | | | |
|------|---------|--------|--------|
| 2003 | 347,000 | 25,000 | 69,663 |
| 2002 | 347,000 | 25,000 | 70,220 |
| 2001 | 347,000 | 25,000 | 70,992 |
| 2000 | 347,000 | 25,000 | 68,658 |
| 1999 | 347,000 | 25,000 | 68,262 |

PREMIUM INCOME 4 (NPT)

Year Ended 10/31:

| | | | |
|------|---------|--------|--------|
| 2003 | 338,400 | 25,000 | 67,019 |
| 2002 | 338,400 | 25,000 | 67,983 |
| 2001 | 338,400 | 25,000 | 70,434 |
| 2000 | 338,400 | 25,000 | 68,247 |
| 1999 | 338,400 | 25,000 | 68,110 |

* Total Investment Return on Market Value is the combination of reinvested dividend income, reinvested capital gains distributions, if any, and changes in stock price per share. Total Return on Common Share Net Asset Value is the combination of reinvested dividend income at net asset value, reinvested capital gains distributions at net asset value, if any, and

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changes in Common share net asset value per share. Total returns are not annualized.

- ** After custodian fee credit, where applicable.
- + The amounts shown are based on Common share equivalents.
- ++ Ratios do not reflect the effect of dividend payments to Preferred shareholders; income ratios reflect income earned on assets attributable to Preferred shares.

See accompanying notes to financial statements.

54-55 SPREAD

Directors
AND OFFICERS

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

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

DIRECTOR WHO IS AN INTERESTED PERSON OF THE FUNDS:

| | | | |
|--|--|------|---|
| Timothy R. Schwertfeger (1) 3/28/49 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Director | 1994 | Chairman and Director (since 1996) of Nuveen Investments, Inc. and Nuveen Investment Director (since 1992) and Chairman (since 1992) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Chairman and Director (since 1992) of Nuveen Asset Management, Inc.; Director of Institutional Capital Corporation; Chairman (since 1999) of Rittenhouse Asset Management; Chairman of Nuveen Investments Advisers |
|--|--|------|---|

DIRECTORS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS:

| | | | |
|--|----------|------|--|
| William E. Bennett 10/16/46 333 W. Wacker Drive Chicago, IL 60606 | Director | 2001 | Private Investor; previously, President and Officer, Draper & Kramer, Inc., a private equity firm that handles mortgage banking, real estate development advisory and real estate management (1992-2000) |
|--|----------|------|--|

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thereto, Executive Vice President and C
First Chicago Corporation and its princ
First National Bank of Chicago.

| | | | |
|--|----------|------|---|
| Robert P. Bremner 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Director | 1997 | Private Investor and Management Consult |
| Lawrence H. Brown 7/29/34 333 W. Wacker Drive Chicago, IL 60606 | Director | 1993 | Retired (since 1989) as Senior Vice Pre Northern Trust Company; Director of the Highland Park-Highwood (since 2002). |
| Jack B. Evans 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Director | 1999 | President, The Hall-Perrine Foundation, corporation (since 1996); Director, All Vice Chairman, United Fire & Casualty C Federal Reserve Bank of Chicago; former Operating Officer, SCI Financial Group, services firm. |
| Anne E. Impellizzeri 1/26/33 333 W. Wacker Drive Chicago, IL 60606 | Director | 1994 | Retired, formerly, Executive Director (C The Russel Wright Design Center; prior Chief Executive Officer of Blanton-Peal prior thereto, Vice President, Metropol |
| William L. Kissick 7/29/32 333 W. Wacker Drive Chicago, IL 60606 | Director | 1992 | Professor Emeritus, School of Medicine School of Management and former Chairma Institute of Health Economics, Universi Adjunct Professor, Health Policy and Ma |
| Thomas E. Leafstrand 11/11/31 333 W. Wacker Drive Chicago, IL 60606 | Director | 1992 | Retired; previously, Vice President in Underwriting and Dealer Sales at The No Company. |

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (2) | PRINCIPAL OCCUPATION(S) INCLUDING OTHER DIRECTORSHIPS DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|---|
|--------------------------------|---------------------------------------|---|---|

DIRECTORS WHO ARE NOT INTERESTED PERSONS OF THE FUNDS (CONTINUED):

| | | | |
|---|----------|------|--|
| Peter R. Sawers 4/3/33 333 W. Wacker Drive Chicago, IL 60606 | Director | 1991 | Adjunct Professor of Business and Econo Dubuque, Iowa; formerly (1991-2000) Adj Forest Graduate School of Management, L prior thereto, Executive Director, Towe |
|---|----------|------|--|

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management consulting firm; Chartered F
 Certified Management Consultant; Direct
 Service Corps of Chicago, a not-for-pro

| | | | |
|---|----------|------|--|
| William J. Schneider 9/24/44 333 W. Wacker Drive Chicago, IL 60606 | Director | 1997 | Senior Partner and Chief Operating Offi Group, Vice President, Miller-Valentine company; Chair, MiamiValley Hospital; C Development Coalition; formerly, Member Advisory Board, National City Bank, Day Business Advisory Council, Cleveland Fe |
|---|----------|------|--|

| | | | |
|---|----------|------|---|
| Judith M. Stockdale 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Director | 1997 | Executive Director, Gaylord and Dorothy (since 1994); prior thereto, Executive Protection Fund (from 1990 to 1994). |
|---|----------|------|---|

| | | | |
|---|----------|------|---|
| Sheila W. Wellington 2/24/32 333 W. Wacker Drive Chicago, IL 60606 | Director | 1994 | President (since 1993) of Catalyst (a n focusing on women's leadership developm and the professions). |
|---|----------|------|---|

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS:

| | | | |
|--|------------------------------------|------|--|
| Gifford R. Zimmerman 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), Assista and Associate General Counsel, formerly and Assistant General Counsel of Nuveen Managing Director (since 2002), General Assistant Secretary, formerly, Vice Pre Advisory Corp. and Nuveen Institutional Managing Director (since 2002), Assista Associate General Counsel, formerly, Vi 2000), of Nuveen Asset Management, Inc. Secretary of Nuveen Investments, Inc. (Assistant Secretary of NWQ Investment M Company, LLC (since 2002); Vice Preside Assistant Secretary of Nuveen Investmen (since 2002); Managing Director, Associ Counsel and Assistant Secretary of Ritt Management, Inc. (since May 2003); Char Financial Analyst. |
|--|------------------------------------|------|--|

| | | | |
|---|--|------|---|
| Michael T. Atkinson 2/3/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Assistant Secretary | 2000 | Vice President (since 2002), formerly, Vice President (since 2000), previously Nuveen Investments, LLC. |
|---|--|------|---|

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AND OFFICERS (CONTINUED)

| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

OFFICERS OF THE FUNDS (CONTINUED):

| | | | |
|---|----------------|------|---|
| Paul L. Brennan 11/10/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1999 | Vice President (since 2002), formerly, Vice President (since 1997), of Nuveen prior thereto, portfolio manager of Fla Chartered Financial Analyst and Certifi |
|---|----------------|------|---|

| | | | |
|---|---------------------------------|------|--|
| Peter H. D'Arrigo 11/28/67 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 1999 | Vice President of Nuveen Investments, L prior thereto, Assistant Vice President President and Treasurer of Nuveen Inves 1999); Vice President and Treasurer of and Nuveen Institutional Advisory Corp. President and Treasurer of Nuveen Asset Inc. (since 2002) and of Nuveen Investm Inc. (since 2002); Assistant Treasurer Management Company, LLC (since 2002); C Financial Analyst. |
|---|---------------------------------|------|--|

| | | | |
|--|----------------|------|--|
| Susan M. DeSanto 9/8/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2001 | Vice President of Nuveen Advisory Corp. previously, Vice President of Van Kampen Advisory Corp. (since 1998); Vice Presi Institutional Advisory Corp. (since 200 Assistant Vice President of Van Kampen Advisory Corp. (since 1994). |
|--|----------------|------|--|

| | | | |
|---|---------------------------------|------|---|
| Jessica R. Droeger 9/24/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 2000 | Vice President (since 2002) and Assista (since 1998); formerly, Assistant Vice of Nuveen Investments, LLC; Vice Presid and Assistant Secretary (since 1998), f Vice President of Nuveen Advisory Corp. Institutional Advisory Corp. |
|---|---------------------------------|------|---|

| | | | |
|---|----------------|------|---|
| Lorna C. Ferguson 10/24/45 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1998 | Vice President of Nuveen Investments, L President (since 1998) of Nuveen Adviso Nuveen Institutional Advisory Corp. |
|---|----------------|------|---|

| | | | |
|---|----------------|------|--|
| William M. Fitzgerald 3/2/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1995 | Managing Director (since 2002) of Nuvee LLC; Managing Director (since 2001), fo President of Nuveen Advisory Corp. and Institutional Advisory Corp. (since 199 Director of Nuveen Asset Management, In Vice President of Nuveen Investment Adv (since 2002); Chartered Financial Analy |
|---|----------------|------|--|

| | | | |
|--|----------------------------------|------|---|
| Stephen D. Foy 5/31/54 333 W. Wacker Drive | Vice President and Controller | 1998 | Vice President (since 1993) and Funds C 1998) of Nuveen Investments, LLC and Vi Funds Controller (since 1998) of Nuveen |
|--|----------------------------------|------|---|

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Chicago, IL 60606

Certified Public Accountant.

 J. Thomas Futrell Vice President 1988 Vice President of Nuveen Advisory Corp.
 7/5/55 Chartered Financial Analyst.
 333 W. Wacker Drive
 Chicago, IL 60606

 Steven J. Krupa Vice President 1990 Vice President of Nuveen Advisory Corp.
 8/21/57
 333 W. Wacker Drive
 Chicago, IL 60606

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| NAME, BIRTHDATE AND ADDRESS | POSITION(S) HELD WITH THE FUNDS | YEAR FIRST ELECTED OR APPOINTED (3) | PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS |
|--------------------------------|---------------------------------------|---|--|
|--------------------------------|---------------------------------------|---|--|

 OFFICERS OF THE FUNDS (CONTINUED):

 David J. Lamb Vice President 2000 Vice President (since 2000) of Nuveen I
 3/22/63 previously Assistant Vice President (si
 333 W. Wacker Drive thereto, Associate of Nuveen Investment
 Chicago, IL 60606 Public Accountant.

 Tina M. Lazar Vice President 2002 Vice President (since 1999), previously
 8/27/61 President (since 1993) of Nuveen Invest
 333 W. Wacker Drive
 Chicago, IL 60606

 Larry W. Martin Vice President 1988 Vice President, Assistant Secretary and
 7/27/51 and Assistant Counsel of Nuveen Investments, LLC; Vic
 333 W. Wacker Drive Secretary Assistant Secretary of Nuveen Advisory
 Chicago, IL 60606 Institutional Advisory Corp.; Assistant
 Investments, Inc. and (since 1997) Nuve
 Inc.; Vice President (since 2000), Assi
 Assistant General Counsel (since 1998)
 Management, Inc.; Vice President and AS
 Nuveen Investments Advisers Inc. (since
 Secretary of NWQ Investment Management
 (since 2002).

 John V. Miller Vice President 2003 Vice President (since 2003), previously
 4/10/67 Vice President (since 1999), prior ther
 333 W. Wacker Drive analyst (since 1996) of Nuveen Advisory
 Chicago, IL 60606 Chartered Financial Analyst.

 Edward F. Neild, IV Vice President 1996 Managing Director (since 2002) of Nuvee
 7/7/65 LLC; Managing Director (since 1997), fo
 333 W. Wacker Drive President (since 1996) of Nuveen Adviso
 Chicago, IL 60606 Nuveen Institutional Advisory Corp.; Ma

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of Nuveen Asset Management, Inc. (since
Chartered Financial Analyst.

| | | | |
|---|----------------|------|---|
| Thomas J. O'Shaughnessy 9/4/60 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1999 | Vice President (since 2002), formerly, Vice President (since 1998), of Nuveen prior thereto, portfolio manager. |
|---|----------------|------|---|

| | | | |
|--|----------------|------|--|
| Daniel S. Solender 10/27/65 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2003 | Vice President of Nuveen Advisory Corp. previously, Principal and portfolio man Group (1999-2003); prior thereto, Assis of the Nuveen Advisory Corp.; Chartered |
|--|----------------|------|--|

| | | | |
|---|----------------|------|--|
| Thomas C. Spalding 7/31/51 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 1982 | Vice President of Nuveen Advisory Corp. Institutional Advisory Corp.; Chartered |
|---|----------------|------|--|

- (1) Mr. Schwertfeger is an "interested person" of the Funds, as defined in the Investment Company Act of 1940, because he is an officer and trustee of the Adviser.
- (2) Directors serve a one-year term until his/her successor is elected. The year first elected or appointed represents the year in which the Director was first elected or appointed to any fund in the Nuveen Complex.
- (3) Officers serve a one-year term through July of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

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Build Your Wealth AUTOMATICALLY

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

NUVEEN CLOSED-END EXCHANGE-TRADED FUNDS DIVIDEND REINVESTMENT PLAN

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

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

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

EASY AND CONVENIENT

To make recordkeeping easy and convenient, each month you'll receive a statement

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showing your total dividends and distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

HOW SHARES ARE PURCHASED

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. Dividends and distributions received to purchase shares in the open market will normally be invested shortly after the dividend payment date. No interest will be paid on dividends and distributions awaiting reinvestment. Because the market price of shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the dividend or distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

FLEXIBILITY

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. Should you withdraw, you can receive a certificate for all whole shares credited to your reinvestment account and cash payment for fractional shares, or cash payment for all reinvestment account shares, less brokerage commissions and a \$2.50 service fee.

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

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

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

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Fund INFORMATION

BOARD OF DIRECTORS
William E. Bennett
Robert P. Bremner
Lawrence H. Brown
Jack B. Evans
Anne E. Impellizzeri
William L. Kissick
Thomas E. Leafstrand
Peter R. Sawers
William J. Schneider
Timothy R. Schwertfeger
Judith M. Stockdale

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Sheila W. Wellington

FUND MANAGER

Nuveen Advisory Corp.
333 West Wacker Drive
Chicago, IL 60606

CUSTODIAN

State Street Bank & Trust
Boston, MA

TRANSFER AGENT AND SHAREHOLDER SERVICES

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

LEGAL COUNSEL

Chapman and Cutler LLP
Chicago, IL

INDEPENDENT AUDITORS

Ernst & Young LLP
Chicago, IL

PROXY VOTING POLICIES AND PROCEDURES

A description of the policies and procedures that the Funds use to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling Nuveen Investments at (800) 257-8787; and (ii) on the Commission's website at <http://www.sec.gov>.

POLICY CHANGE

On November 14, 2002, the Board adopted a policy that allows each Fund, in addition to investments in municipal bonds, to invest up to 5% of its net assets (including assets attributable to preferred shares, if any) in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided Nuveen Advisory determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer. This policy is a non-fundamental policy of each Fund which means that it can be changed at any time by the Board of Trustees without vote of the shareholders.

GLOSSARY OF TERMS USED IN THIS REPORT

Average Annual Total Return: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return (including change in NAV and reinvested dividends) that would have been necessary on an annual basis to equal the investment's actual performance over the time period being considered.

Average Duration: Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change.

Average Effective Maturity: The average of all the maturities of the bonds in a fund's portfolio, computed by weighting each maturity date (the date the

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security comes due) by the market value of the security. This figure does not account for the likelihood of prepayments or the exercise of call provisions.

Leverage-Adjusted Duration: Duration is a measure of a bond or bond fund's sensitivity to changes in interest rates. Generally, the longer a bond or fund's duration, the more the price of the bond or fund will change as interest rates change. Leverage-adjusted duration takes into account the leveraging process for a Fund and therefore is generally longer than the duration of the actual portfolio of individual bonds that make up the Fund.

Market Yield (also known as Dividend Yield or Current Yield): An investment's current annualized dividend divided by its current market price.

Net Asset Value (NAV): A fund's NAV is calculated by subtracting the liabilities of the fund from its total assets and then dividing the remainder by the number of shares outstanding. Fund NAVs are calculated at the end of each business day.

Taxable-Equivalent Yield: The yield necessary from a fully taxable investment to equal, on an after-tax basis, the yield of a municipal bond investment.

Each Fund intends to repurchase shares of its own common or preferred stock, where applicable, in the future at such times and in such amounts as is deemed advisable. No shares were repurchased during the fiscal year ended October 31, 2003. Any future repurchases will be reported to shareholders in the next annual or semiannual report.

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ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. The registrant has posted such code of ethics on its website at www.nuveen.com/etf.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's board of directors has determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its audit committee. The registrant's audit committee financial expert is William E. Bennett, who is "independent" for purposes of Item 3 of Form N-CSR.

Mr. Bennett was formerly Executive Vice President and Chief Credit Officer of First Chicago Corporation and its principal subsidiary, The First National Bank of Chicago. As part of his role as Chief Credit Officer, Mr. Bennett set policy as to accrual of assets/loans; designated performing/non-performing assets; set the level of reserves against the credit portfolio; and determined the carrying value of credit related assets and exposure. Among other things, Mr. Bennett was also responsible for the oversight of the internal analysis function including setting ground rules for the review and preparation of financial analysis and financial statements for use in making credit and risk decisions for clients. Mr. Bennett has significant experience reviewing, analyzing and evaluating financial statements of domestic and international companies in a variety of industries with complex accounting issues.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable at this time.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable at this time.

ITEM 6. [RESERVED]

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

In the rare event that a municipal issuer held by the Fund were to issue a proxy or that the Fund were to receive a proxy issued by a cash management security, Nuveen Advisory Corp. (the "Adviser") would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Fund's Board of Directors or Trustees or its representative. In the case of a conflict of interest, the proxy would be submitted to the applicable Fund's Board to determine how the proxy should be voted. A member of the Adviser's legal department would oversee the administration of the voting, and ensure that records were maintained in accordance with Rule 204-2(c)(2) under the Investment Advisers Act of 1940 (17 CFR 275.204-2(c)(2)), reports were filed with the SEC on Form N-PX, and the results were provided to the Board of Directors or Trustees and made available to shareholders as required by applicable rules.

ITEM 8. [RESERVED]

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ITEM 9. CONTROLS AND PROCEDURES.

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

ITEM 10. EXHIBITS.

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

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because posted on registrant's website at www.nuveen.com/etf.

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

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference. Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Premium Income Municipal Fund 4, Inc.

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By (Signature and Title)* /s/ Jessica R. Droeger

Jessica R. Droeger
Vice President and Secretary

Date: January 8, 2004

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* /s/ Gifford R. Zimmerman

Gifford R. Zimmerman
Chief Administrative Officer
(Principal Executive Officer)

Date: January 8, 2004

By (Signature and Title)* /s/ Stephen D. Foy

Stephen D. Foy
Vice President and Controller
(Principal Financial Officer)

Date: January 8, 2004

* Print the name and title of each signing officer under his or her signature.