

ROYAL BANK OF CANADA  
Form 424B2  
March 09, 2018

---

Filed Pursuant to Rule 424(b)(2)

Registration Statement No. 333-208507

Pricing Supplement SPBELN 267-C to the Prospectus dated January 8, 2016, the Series G Prospectus Supplement dated January 8, 2016, and the Product Prospectus Supplement PB-1 dated January 14, 2016

Royal Bank of Canada

\$3,043,000

Leveraged Buffered Basket-Linked Notes, due September 11, 2019

The notes will not bear interest. The amount that you will be paid on your notes on the stated maturity date (September 11, 2019, subject to adjustment) is based on the performance of a weighted basket comprised of the EURO STOXX 50<sup>®</sup> Index (37% weighting), the FTSE<sup>®</sup> 100 Index (23% weighting), the TOPIX<sup>®</sup> (23% weighting), the Swiss Market Index (9% weighting) and the S&P<sup>®</sup>/ASX 200 Index (8% weighting) as measured from the trade date (March 7, 2018) to and including the determination date (September 9, 2019, subject to adjustment). The initial basket level is 100, and the final basket level will equal the sum of the products, as calculated for each basket underlier, of (i) the final index level for such basket underlier divided by (ii) the initial index level for such basket underlier (3,377.36 with respect to the EURO STOXX 50<sup>®</sup> Index, 7,157.84 with respect to the FTSE<sup>®</sup> 100 Index, 1,703.96 with respect to the TOPIX<sup>®</sup>, 8,784.84 with respect to the Swiss Market Index, and 5,901.988 with respect to the S&P<sup>®</sup>/ASX 200 Index) multiplied by (iii) the applicable initial weighted value for such basket underlier. If the final basket level on the determination date is greater than the initial basket level, the return on your notes will be positive, subject to the maximum settlement amount (\$1,301.50 for each \$1,000 principal amount of the notes). If the final basket level declines by up to 15.00% from the initial basket level, you will receive the face amount of the notes. If the final basket level declines by more than 15.00% from the initial basket level, the return on your notes will be negative. You could lose your entire investment in the notes.

To determine your payment at maturity, we will calculate the basket return, which is the percentage increase or decrease in the final basket level from the initial basket level. On the stated maturity date, for each \$1,000 principal amount of your notes, you will receive an amount in cash equal to:

if the basket return is positive (the final basket level is greater than the initial basket level), the sum of (i) \$1,000 plus (ii) the product of (a) \$1,000 times (b) the upside participation rate of 180% times (c) the basket return, subject to the maximum settlement amount; or

if the basket return is zero or negative but not below -15.00% (the final basket level is equal to or less than the initial basket level but not by more than 15.00%), \$1,000; or

if the basket return is negative and is below -15.00% (the final basket level is less than the initial basket level by more than 15.00%), the sum of (i) \$1,000 plus (ii) the product of (a) 100/85.00 (which is approximately 1.1765) times (b) the sum of the basket return plus 15.00% times (c) \$1,000. This amount will be less than \$1,000.

Our initial estimated value of the notes as of the date of this pricing supplement is \$995.51 per \$1,000 in principal amount, which is less than the original issue price. The actual value of the notes at any time will reflect many factors, cannot be predicted with accuracy, and may be less than this amount. We describe our determination of the initial estimated value in more detail below.

Declines in one basket underlier may offset increases in the other basket underliers. Due to the unequal weighting of each basket underlier, the performances of the EURO STOXX 50<sup>®</sup> Index, the FTSE<sup>®</sup> 100 Index and the TOPIX<sup>®</sup> will have a significantly larger impact on your return on the notes than the performance of the Swiss Market Index or the S&P<sup>®</sup>/ASX 200 Index. Your investment in the notes involves certain additional risks, including, among other things, our credit risk. See the section "Additional Risk Factors Specific to Your Notes" beginning on page PS-10 of this pricing supplement.

The foregoing is only a brief summary of the terms of your notes. You should read the additional disclosure provided in this pricing supplement so that you may better understand the terms and risks of your investment.

Original issue date: March 14, 2018 Original issue price: 100.00% of the principal amount

Underwriting discount: 0.00% of the principal amount Net proceeds to the issuer: 100.00% of the principal amount

See “Supplemental Plan of Distribution (Conflicts of Interest)” on page PS-36 of this pricing supplement. The issue price, underwriting discount and net proceeds listed above relate to the notes we sell initially. We may decide to sell additional notes after the date of this pricing supplement, at issue prices and with underwriting discounts and net proceeds that differ from the amounts set forth above. The return (whether positive or negative) on your investment in the notes will depend in part on the issue price you pay for such notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this pricing supplement, the accompanying product prospectus supplement, the accompanying prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense. The notes will not constitute deposits that are insured by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other Canadian or U.S. governmental agency or instrumentality.

RBC Capital Markets, LLC

Pricing Supplement dated March 7, 2018.

---

## SUMMARY INFORMATION

We refer to the notes we are offering by this pricing supplement as the “offered notes” or the “notes.” Each of the offered notes, including your notes, has the terms described below. Please note that in this pricing supplement, references to “Royal Bank of Canada,” “we,” “our” and “us” mean only Royal Bank of Canada and all references to “\$” or “dollar” are to United States dollars. Also, references to the “accompanying prospectus” mean the accompanying prospectus, dated January 8, 2016, as supplemented by the accompanying prospectus supplement, dated January 8, 2016, of Royal Bank of Canada relating to the Senior Medium-Term Notes, Series G program of Royal Bank of Canada and references to the “accompanying product prospectus supplement PB-1” mean the accompanying product prospectus supplement PB-1, dated January 14, 2016, of Royal Bank of Canada.

This section is meant as a summary and should be read in conjunction with the section entitled “General Terms of the Notes” beginning on page PS-4 of the accompanying product prospectus supplement PB-1. Please note that certain features described in the accompanying product prospectus supplement PB-1 are not applicable to the notes. This pricing supplement supersedes any conflicting provisions of the accompanying product prospectus supplement PB-1.

### Key Terms

Issuer: Royal Bank of Canada

Basket underliers: the EURO STOXX 50<sup>®</sup> Index (Bloomberg symbol, “SX5E Index”), as published by STOXX Limited (“STOXX”); the FTSE100 Index (Bloomberg symbol, “UKX Index”), as published by FTSE Russell (“FTSE”); the TOPIX<sup>®</sup> (Bloomberg symbol, “TPX Index”), as maintained by the Tokyo Stock Exchange, Inc. (“TSE”); the Swiss Market Index (Bloomberg symbol, “SMI Index”), as published by SIX Group Ltd. (“SIX Group”); and the S&P 500 Index (Bloomberg symbol, “AS51 Index”), as published by S&P Dow Jones Indices LLC (“S&P”). See “The Basket and the Basket Underliers” on page PS-17

Specified currency: U.S. dollars (“\$”)

Denominations: \$1,000 and integral multiples of \$1,000 in excess of \$1,000. The notes may only be transferred in amounts of \$1,000 and increments of \$1,000 thereafter

Principal amount: each note will have a principal amount of \$1,000; \$3,043,000 in the aggregate for all the offered notes; the aggregate principal amount of the offered notes may be increased if the issuer, at its sole option, decides to sell an additional amount of the offered notes on a date subsequent to the date of this pricing supplement

Purchase at amount other than principal amount: the amount we will pay you at the stated maturity date for your notes will not be adjusted based on the issue price you pay for your notes, so if you acquire notes at a premium (or discount) to principal amount and hold them to the stated maturity date, it could affect your investment in a number of ways.

The return on your investment in such notes will be lower (or higher) than it would have been had you purchased the notes at a price equal to the principal amount. Also, the buffer level would not offer the same measure of protection to your investment as would be the case if you had purchased the notes at the principal amount. Additionally, the cap level would be triggered at a lower (or higher) percentage return than indicated below, relative to your initial investment. See “If the Original Issue Price for Your Notes Represents a Premium to the Principal Amount, the Return on Your Notes Will Be Lower Than the Return on Notes for Which the Original Issue Price Is Equal to the Principal Amount or Represents a Discount to the Principal Amount” on page PS-15 of this pricing supplement

Cash settlement amount (on the stated maturity date): for each \$1,000 principal amount of your notes, we will pay you on the stated maturity date an amount in cash equal to:

- if the final basket level is greater than or equal to the cap level, the maximum settlement amount;
- if the final basket level is greater than the initial basket level but less than the cap level, the sum of (1) \$1,000 plus (2) the product of (i) \$1,000 times (ii) the upside participation rate times (iii) the basket return;
- if the final basket level is equal to or less than the initial basket level but greater than or equal to the buffer level, \$1,000; or
- if the final basket level is less than the buffer level, the sum of (1) \$1,000 plus (2) the product of (i) the buffer rate times (ii) the sum of the basket return plus the buffer amount times (iii) \$1,000. In this case, the cash settlement amount will be less than the principal amount of the notes, and you will lose some or all of the principal amount.

Initial basket level: 100.00

Initial weighted value: the initial weighted value for each of the basket underliers equals the product of the initial weight of such basket underlier times the initial basket level. The initial weight of each basket underlier is shown in the table below:

Edgar Filing: ROYAL BANK OF CANADA - Form 424B2

Basket Underlier	Initial Weight in Basket	Initial Index Level
EURO STOXX 50 <sup>®</sup> Index	37.00%	3,377.36
FTSE <sup>®</sup> 100 Index	23.00%	7,157.84
TOPIX <sup>®</sup>	23.00%	1,703.96
Swiss Market Index	9.00%	8,784.84
S&P <sup>®</sup> /ASX 200 Index	8.00%	5,901.988

Initial index level: the initial index level of each basket underlier is shown in the table above

PS-2

---

Final index level: the closing level of each basket underlier on the determination date, except in the limited circumstances described under “— Determination date” and “— Consequences of a market disruption event or a non-trading day” below and subject to adjustment as provided under “General Terms of the Notes — Unavailability of the Level of the Underlier” beginning on page PS-6 of the accompanying product prospectus supplement PB-1

Final basket level: the sum of the following: (1) the final index level of the EURO STOXX 50<sup>®</sup> Index divided by the initial index level of the EURO STOXX 50<sup>®</sup> Index, multiplied by the initial weighted value of the EURO STOXX 50<sup>®</sup> Index plus (2) the final index level of the FTSE<sup>®</sup> 100 Index divided by the initial index level of the FTSE<sup>®</sup> 100 Index, multiplied by the initial weighted value of the FTSE<sup>®</sup> 100 Index plus (3) the final index level of the TOPIX<sup>®</sup> divided by the initial index level of the TOPIX<sup>®</sup>, multiplied by the initial weighted value of the TOPIX<sup>®</sup> plus (4) the final index level of the Swiss Market Index divided by the initial index level of the Swiss Market Index, multiplied by the initial weighted value of the Swiss Market Index plus (5) the final index level of the S&P<sup>®</sup>/ASX 200 Index divided by the initial index level of the S&P<sup>®</sup>/ASX 200 Index, multiplied by the initial weighted value of the S&P<sup>®</sup>/ASX 200 Index

Basket return: the quotient of (1) the final basket level minus the initial basket level divided by (2) the initial basket level, expressed as a percentage

Upside participation rate: 180%

Cap level: 116.75% of the initial basket level

Maximum settlement amount: \$1,301.50 for each \$1,000 principal amount of the notes

Buffer level: 85.00% of the initial basket level (equal to a basket return of -15.00%)

Buffer amount: 15.00%

Buffer rate: the quotient of the initial basket level divided by the buffer level, which equals approximately 117.65%

Trade date: March 7, 2018

Original issue date (settlement date): March 14, 2018

Determination date: September 9, 2019, provided that, if the calculation agent determines that a market disruption event with respect to a basket underlier occurs or is continuing on such day or such day is not a trading day with respect to a basket underlier, the determination date will be the first following trading day on which the calculation agent determines that, on or subsequent to such originally scheduled determination date, each basket underlier has had at least one trading day on which no market disruption event has occurred or is continuing and the closing level of each of the basket underliers will be determined on or prior to the postponed determination date as set forth under “— Consequences of a market disruption event or a non-trading day” below. (In such case, the determination date may differ from the dates on which the levels of one or more basket underliers are determined for the purpose of the calculations to be performed on the determination date.) However, the determination date will not be postponed to a date later than the originally scheduled stated maturity date or, if the originally scheduled stated maturity date is not a business day, later than the first business day after the originally scheduled stated maturity date. On such last possible determination date, if a market disruption event occurs or is continuing with respect to a basket underlier that has not yet had such a trading day on which no market disruption event has occurred or is continuing or if such last possible day is not a trading day with respect to such basket underlier, that day will nevertheless be the determination date

Stated maturity date: September 11, 2019, unless that date is not a business day, in which case the stated maturity date will be postponed to the next following business day. The stated maturity date will also be postponed if determination date is postponed as described under “— Determination date” above. In such a case, the stated maturity date will be postponed by the same number of business day(s) from but excluding the originally scheduled determination date to and including the actual determination date

Consequences of a market disruption event or a non-trading day: if a market disruption event with respect to any basket underlier occurs or is continuing on a day that would otherwise be the determination date, or such day is not a trading day, then the determination date will be postponed as described under “— Determination date” above. As a result of any of the foregoing, the stated maturity date may also be postponed, as described under “— Stated maturity date” above. If the determination date is postponed due to a market disruption event or non-trading day with respect to one or more of the basket underliers, the basket closing level for the postponed determination date will be calculated based on (i) the closing level of each of the basket underliers that is not affected by the market disruption event or non-trading day, if any, on the originally scheduled determination date with respect to each such basket underlier, if any, (ii) the closing level of each of the basket underliers that is affected by the market disruption event or non-trading

day on the first trading day following the originally scheduled determination date on which no market disruption event exists for that basket underlier, and (iii) the calculation agent's assessment, in its sole discretion, of the closing level of each basket underlier on the last possible postponed determination date with respect to each basket underlier as to which a market disruption event or non-trading day continues through the last possible postponed determination date. As a result, this could result in the closing level of differing basket underliers being determined on different calendar dates. For the avoidance of doubt, once the closing level for one or more basket underliers is determined for a determination date, the occurrence of a later market disruption event or non-trading day will not alter such calculation

No interest: the offered notes will not bear interest

No listing: the offered notes will not be listed on any securities exchange or interdealer quotation system

No redemption: the notes are not subject to redemption prior to maturity

PS-3

---

Closing level: the official closing level of the applicable basket underlier or any successor basket underlier published by the applicable basket underlier sponsor on such trading day for that basket underlier

Business day: as described under “General Terms of the Notes — Special Calculation Provisions — Business Day” on page PS-11 of the accompanying product prospectus supplement PB-1

Use of proceeds and hedging: as described under “Use of Proceeds and Hedging” on page PS-13 of the accompanying product prospectus supplement PB-1

ERISA: as described under “Employee Retirement Income Security Act” on page PS-20 of the accompanying product prospectus supplement PB-1

Calculation agent: RBC Capital Markets, LLC (“RBCCM”)

Dealer: RBCCM

Market disruption events: as to each basket underlier, the term “market disruption event” is defined in the section of the product supplement entitled “General Terms of the Notes — Market Disruption Events,” and the consequences of a market disruption event (and non-trading day) are described under “—Determination date,” “—Stated maturity date” and “Consequences of a market disruption event or a non-trading day” above. For the avoidance of doubt, a market disruption event (or non-trading day) as to any basket underlier on the determination date will only result in a postponement of the determination date as to the relevant basket underlier(s), and not as to any basket underlier that is not so affected

Trading day: as to each basket underlier, the term “trading day” is defined in the section of the product supplement entitled “General Terms of the Notes—Special Calculation Provisions—Trading Day—Indices”

U.S. tax treatment: by purchasing a note, each holder agrees (in the absence of a change in law, an administrative determination or a judicial ruling to the contrary) to treat the note as a pre-paid cash-settled derivative contract for U.S. federal income tax purposes. However, the U.S. federal income tax consequences of your investment in the notes are uncertain and the Internal Revenue Service could assert that the notes should be taxed in a manner that is different from that described in the preceding sentence. Please see the discussion in the accompanying prospectus under “Tax Consequences,” the discussion in the accompanying prospectus supplement under “Certain Income Tax Consequences,” and the discussion (including the opinion of our counsel Morrison & Foerster LLP) in the accompanying product prospectus supplement PB-1 under “Supplemental Discussion of U.S. Federal Income Tax Consequences,” and the discussion below under “Supplemental Discussion of U.S. Federal Income Tax Consequences,” which apply to the notes

Canadian tax treatment: for a discussion of certain Canadian federal income tax consequences of investing in the notes, please see the section entitled “Tax Consequences – Canadian Taxation” in the accompanying prospectus

CUSIP no.: 78013XHS0

ISIN no.: US78013XHS09

FDIC: the notes will not constitute deposits that are insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or any other Canadian or U.S. governmental agency

## HYPOTHETICAL EXAMPLES

The following table and chart are provided for purposes of illustration only. They should not be taken as an indication or prediction of future investment results and are intended merely to illustrate the impact that various hypothetical final basket levels on the determination date could have on the cash settlement amount at maturity, assuming all other variables remain constant.

The examples below are based on a range of final basket levels that are entirely hypothetical. No one can predict what the basket level will be on any day during the term of your notes, and no one can predict what the final basket level will be. The basket underliers have been highly volatile in the past—meaning that the level of each basket underlier has changed considerably in relatively short periods—and its performance cannot be predicted for any future period.

The information in the following examples reflects hypothetical rates of return on the notes assuming that they are purchased on the original issue date with a \$1,000 principal amount and are held to maturity. If you sell your notes in any secondary market prior to maturity, your return will depend upon the market value of your notes at the time of sale, which may be affected by a number of factors that are not reflected in the table below, such as interest rates and the volatility of the basket underliers. In addition, assuming no changes in market conditions or our creditworthiness and any other relevant factors, the value of your notes on the trade date (as determined by reference to pricing models used by RBCCM and taking into account our credit spreads) is, and the price you may receive for your notes may be, significantly less than the principal amount. For more information on the value of your notes in the secondary market, see “Additional Risk Factors Specific to Your Notes — The Price, if Any, at Which You May Be Able to Sell Your Notes Prior to Maturity May Be Less than the Original Issue Price and Our Initial Estimated Value” below. The information in the table also reflects the key terms and assumptions in the box below.

### Key Terms and Assumptions

Principal amount	\$1,000
Upside participation rate	180%
Cap level	116.75% of the initial basket level
Maximum settlement amount	\$1,301.50
Buffer level	85.00% of the initial basket level
Buffer rate	, which equals approximately 117.65%
Buffer amount	15.00%

Neither a market disruption event nor a non-trading day occurs on the originally scheduled determination date

No change affecting the methods by which the basket underlier sponsors calculate the basket underliers

Notes purchased on original issue date at a price equal to the principal amount and held to the stated maturity date

The actual performance of the basket over the term of your notes, as well as the amount payable at maturity, if any, may bear little relation to the hypothetical examples shown below or to the historical level of each basket underlier shown elsewhere in this pricing supplement. For information about the historical levels of each basket underlier during recent periods, see “The Basket and the Basket Underliers—Historical Performance of the Basket Underliers” below. Before investing in the notes, you should consult publicly available information to determine the levels of the basket underliers between the date of this pricing supplement and the date of your purchase of the notes.

Also, the hypothetical examples shown below do not take into account the effects of applicable taxes. Because of the U.S. tax treatment applicable to your notes, tax liabilities could affect the after-tax rate of return on your notes to a comparatively greater extent than the after-tax return on the stocks included in the basket underliers (the “underlier stocks”).

The levels in the left column of the table below represent hypothetical final basket levels and are expressed as percentages of the initial basket level. The amounts in the right column represent the hypothetical cash settlement amounts, based on the corresponding hypothetical final basket level (expressed as a percentage of the initial basket level), and are expressed as percentages of the principal amount of a note (rounded to the nearest one-thousandth of a



percent). Thus, a hypothetical cash settlement amount of 100.000% means that the value of the cash payment that we would deliver for each \$1,000 principal amount of the notes at maturity would equal the principal amount of a note, based on the corresponding hypothetical final basket level (expressed as a percentage of the initial basket level) and the assumptions noted above.

PS-5

---

Edgar Filing: ROYAL BANK OF CANADA - Form 424B2

Hypothetical Final Basket Level (as a Percentage of the Initial Basket Level)	Hypothetical Cash Settlement Amount (as a Percentage of the Principal Amount)
150.00%	130.150%
140.00%	130.150%
130.00%	130.150%
120.00%	130.150%
116.75%	130.150%
110.00%	118.000%
107.00%	112.600%
105.00%	109.000%
100.00%	100.000%
95.00%	100.000%
85.00%	100.000%
80.00%	94.118%
75.00%	88.235%
50.00%	58.824%
25.00%	29.412%
0.00%	0.000%

If, for example, the final basket level were determined to be 25.00% of the initial basket level, the cash settlement amount that we would deliver on your notes at maturity would be approximately 29.412% of the principal amount of your notes, as shown in the hypothetical cash settlement amount column of the table above. As a result, if you purchased your notes at the principal amount on the settlement date and held them to maturity, you would lose approximately 70.588% of your investment.

If the final basket level were determined to be 150.00% of the initial basket level, the cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount (expressed as a percentage of the principal amount), or 130.150% of the principal amount of your notes, as shown in the hypothetical cash settlement amount column of the table above. As a result, if you purchased your notes at the principal amount on the settlement date and held them to maturity, you would not benefit from any increase in the final basket level over 116.75% of the initial basket level.

PS-6

---

The following chart also illustrates the hypothetical cash settlement amounts (expressed as a percentage of the principal amount of your notes) that we would pay on your notes on the stated maturity date, if the final basket level (expressed as a percentage of the initial basket level) were any of the hypothetical levels shown on the horizontal axis. The chart shows that any hypothetical final basket level (expressed as a percentage of the initial basket level) of less than the buffer level would result in a hypothetical cash settlement amount of less than 100.00% of the principal amount of your notes (the section below the 100.00% marker on the vertical axis) and, accordingly, in a loss of principal to the holder of the notes. On the other hand, any hypothetical final basket level that is greater than the initial basket level (the section right of the 100.00% marker on the horizontal axis) would result in a hypothetical cash settlement amount that is greater than 100.00% of the principal amount of your notes on a leveraged basis (the section above the 100.00% marker on the vertical axis), subject to the maximum settlement amount.

n The Note Performance

n The Basket Performance

The following examples illustrate the hypothetical cash settlement amount at maturity, on each note based on hypothetical final index levels of the basket underliers, calculated based on the key terms and assumptions above. The levels in Column A represent the hypothetical initial index level for each basket underlier, and the levels in Column B represent hypothetical final index levels for each basket underlier. The percentages in Column C represent hypothetical final index levels for each basket underlier in Column B expressed as percentages of the corresponding hypothetical initial index levels in Column A. The amounts in Column D represent the applicable initial weighted value for each basket underlier, and the amounts in Column E represent the products of the percentages in Column C times the corresponding amounts in Column D. The final basket level for each example is shown beneath each example, and will equal the sum of the five products shown in Column E. The basket return for each example is shown beneath the final basket level for such example, and will equal the quotient of (i) the final basket level for such example minus the initial basket level divided by (ii) the initial basket level, expressed as a percentage. The values below may be rounded for ease of analysis.

The hypothetical initial index level for each basket underlier of 100.00 has been chosen for illustrative purposes only and does not represent the actual initial index level for that basket underlier. For historical data regarding the actual historical levels of the basket underliers, please see the historical information set forth below under “The Basket and the Basket Underliers.”

PS-7

---

Example 1: The final basket level is greater than the cap level. The cash settlement amount equals the maximum settlement amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50® Index	100.00	140.00	140.00%	37.00	51.80
FTSE® 100 Index	100.00	140.00	140.00%	23.00	32.20
TOPIX®	100.00	140.00	140.00%	23.00	32.20
Swiss Market Index	100.00	140.00	140.00%	9.00	12.60
S&P®/ASX 200 Index	100.00	140.00	140.00%	8.00	11.20
			Final Basket Level:		140.00
			Basket Return:		40.00%

In this example, all of the hypothetical final index levels for the basket underliers are greater than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being greater than the initial basket level of 100.00. Since the hypothetical final basket level was determined to be 140.00, the hypothetical cash settlement amount that we would deliver on your notes at maturity would be capped at the maximum settlement amount of \$1,301.50 for each \$1,000 face amount of your notes (i.e., 130.15% of each \$1,000 face amount of your notes).

Example 2: The final basket level is greater than the initial basket level but less than the cap level.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50® Index	100.00	101.00	101.00%	37.00	37.37
FTSE® 100 Index	100.00	102.00	102.00%	23.00	23.46
TOPIX®	100.00	103.00	103.00%	23.00	23.69
Swiss Market Index	100.00	135.00	135.00%	9.00	12.15
S&P®/ASX 200 Index	100.00	148.00	148.00%	8.00	11.84
			Final Basket Level:		108.51
			Basket Return:		8.51%

In this example, all of the hypothetical final index levels for the basket underliers are greater than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being greater than the initial basket level of 100.00. Since the hypothetical final basket level was determined to be 108.51, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash settlement amount} = \$1,000 + (\$1,000 \times 180.00\% \times 8.51\%) = \$1,153.18$$

Example 3: The final basket level is less than the initial basket level but greater than the buffer level. The cash settlement amount is equal to the \$1,000 face amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50® Index	100.00	91.00	91.00%	37.00	33.67
FTSE® 100 Index	100.00	91.00	91.00%	23.00	20.93
TOPIX®	100.00	91.00	91.00%	23.00	20.93
Swiss Market Index	100.00	91.00	91.00%	9.00	8.19
S&P®/ASX 200 Index	100.00	91.00	91.00%	8.00	7.28
			Final Basket Level:		91.00

Basket Return: -9.00%

In this example, all of the hypothetical final index levels for the basket underliers are less than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being less than the initial basket level of 100.00. Since the hypothetical final basket level of 91.00 is greater than the buffer level of 85.00% of the initial basket level but less than the initial basket level of 100.00, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal the face amount of the note, or \$1,000.

PS-8

---

Example 4: The final basket level is less than the buffer level. The cash settlement amount is less than the \$1,000 face amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50 <sup>®</sup> Index	100.00	40.00	40.00%	37.00	14.80
FTSE <sup>®</sup> 100 Index	100.00	100.00	100.00%	23.00	23.00
TOPIX <sup>®</sup>	100.00	100.00	100.00%	23.00	23.00
Swiss Market Index	100.00	115.00	115.00%	9.00	10.35
S&P <sup>®</sup> /ASX 200 Index	100.00	115.00	115.00%	8.00	9.20
			Final Basket Level:		80.35
			Basket Return:		-19.65%

In this example, the hypothetical final index level of the EURO STOXX 50<sup>®</sup> Index is less than its hypothetical initial index level, while the hypothetical final index levels of the FTSE<sup>®</sup> 100 Index and the TOPIX<sup>®</sup> are equal to their applicable hypothetical initial index levels and the hypothetical final index levels of the Swiss Market Index and the S&P<sup>®</sup>/ASX 200 Index are greater than their applicable hypothetical initial index levels.

Because the basket is unequally weighted, increases in the lower weighted basket underliers will be offset by decreases in the more heavily weighted basket underliers. In this example, the large decline in the EURO STOXX 50<sup>®</sup> Index results in the hypothetical final basket level being less than the buffer level of 85.00% of the initial basket level, even though the FTSE<sup>®</sup> 100 Index and the TOPIX<sup>®</sup> remained flat and the Swiss Market Index and the S&P<sup>®</sup>/ASX 200 Index increased.

Since the hypothetical final basket level of 80.35 is less than the buffer level of 85.00% of the initial basket level, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash settlement amount} = \$1,000 + (\$1,000 \times 117.65\% \times (-19.65\% + 15.00\%)) = \$945.29$$

Example 5: The final basket level is less than the buffer level. The cash settlement amount is less than the \$1,000 face amount.

	Column A	Column B	Column C	Column D	Column E
Basket Underlier	Hypothetical Initial Index Level	Hypothetical Final Index Level	Column B/Column A	Initial Weighted Value	Column C x Column D
EURO STOXX 50 <sup>®</sup> Index	100.00	44.00	44.00%	37.00	16.28
FTSE <sup>®</sup> 100 Index	100.00	62.00	62.00%	23.00	14.26
TOPIX <sup>®</sup>	100.00	55.00	55.00%	23.00	12.65
Swiss Market Index	100.00	43.00	43.00%	9.00	3.87
S&P <sup>®</sup> /ASX 200 Index	100.00	56.00	56.00%	8.00	4.48
			Final Basket Level:		51.54
			Basket Return:		-48.46%

In this example, the hypothetical final index levels for all of the basket underliers are less than the applicable hypothetical initial index levels, which results in the hypothetical final basket level being less than the initial basket level of 100.00. Since the hypothetical final basket level of 51.54 is less than the buffer level of 85.00% of the initial basket level, the hypothetical cash settlement amount for each \$1,000 face amount of your notes will equal:

$$\text{Cash settlement amount} = \$1,000 + (\$1,000 \times 117.65\% \times (-48.46\% + 15.00\%)) = \$606.35$$

No one can predict the final basket level. The actual amount that a holder of the notes will receive at maturity and the actual return on your investment in the notes, if any, will depend on the actual final basket level, which will be determined by the calculation agent as described below. In addition, the actual return on your notes will further depend on the original issue price. Moreover, the assumptions on which the hypothetical tables, chart and examples are based may turn out to be inaccurate. Consequently, the return on your investment in the notes, if any, and the actual cash settlement amount to be paid in respect of the notes at maturity may be very different from the information

reflected in the tables, chart and examples above.

PS-9

---

#### ADDITIONAL RISK FACTORS SPECIFIC TO YOUR NOTES

An investment in your notes is subject to the risks described below, as well as the risks described under “Risk Factors” beginning on page S-1 of the accompanying prospectus supplement and page 1 of the accompanying prospectus. You should carefully review these risks as well as the terms of the notes described herein and in the accompanying prospectus, dated January 8, 2016, as supplemented by the accompanying prospectus supplement, dated January 8, 2016, and the accompanying product prospectus supplement PB-1, dated January 14, 2016, of Royal Bank of Canada. Your notes are a riskier investment than ordinary debt securities. Also, your notes are not equivalent to investing directly in the underlier stocks, i.e., the stocks comprising the basket underliers. You should carefully consider whether the offered notes are suited to your particular circumstances.

#### You May Lose Your Entire Investment in the Notes

The principal amount of your investment is not protected and you may lose a significant amount, or even all of your investment in the notes. The cash settlement amount, if any, will depend on the performance of the basket underliers and the change in their levels from the trade date to the determination date, and you may receive significantly less than the principal amount of the notes. Subject to our credit risk, you will receive at least the principal amount of the notes at maturity only if the final basket level is greater than or equal to the buffer level. If the final basket level is less than the buffer level, then you will lose, for each \$1,000 in principal amount of the notes, an amount equal to the product of (i) the buffer rate times (ii) the sum of basket return plus the buffer amount (iii) times \$1,000. You could lose some or all of the principal amount. Thus, depending on the final basket level, you could lose a substantial portion, and perhaps all, of your investment in the notes, which would include any premium to the principal amount you may have paid when you purchased the notes.

In addition, if the notes are not held until maturity, assuming no changes in market conditions or to our creditworthiness and other relevant factors, the price you may receive for the notes may be significantly less than the price that you paid for them.

#### Our Initial Estimated Value of the Notes Is Less than the Original Issue Price

Our initial estimated value that is set forth on the cover page of this document is less than the original issue price of the notes, and does not represent a minimum price at which we, RBCCM or any of our other affiliates would be willing to purchase the notes in any secondary market (if any exists) at any time. This is due to, among other things, the fact that the original issue price of the notes reflects the borrowing rate we pay to issue securities of this kind (an internal funding rate that is lower than the rate at which we borrow funds by issuing conventional fixed rate debt), and the inclusion in the original issue price of the costs relating to our hedging of the notes.

#### The Price, if Any, at Which You May Be Able to Sell Your Notes Prior to Maturity May Be Less than the Original Issue Price and Our Initial Estimated Value

Assuming no change in market conditions or any other relevant factors, the price, if any, at which you may be able to sell your notes prior to maturity may be less than the original issue price and our initial estimated value. This is because any such sale price would not be expected to include our estimated profit and the costs relating to our hedging of the notes. In addition, any price at which you may sell the notes is likely to reflect customary bid-ask spreads for similar trades, and the cost of unwinding any related hedge transactions. In addition, the value of the notes determined for any secondary market price is expected to be based in part on the yield that is reflected in the interest rate on our conventional debt securities of similar maturity that are traded in the secondary market, rather than the internal funding rate that we used to price the notes and determine the initial estimated value. As a result, the secondary market price of the notes will be less than if the internal funding rate was used. These factors, together with various credit, market and economic factors over the term of the notes, and, potentially, changes in the levels of the basket underliers, are expected to reduce the price at which you may be able to sell the notes in any secondary market and will affect the value of the notes in complex and unpredictable ways.

As set forth below in the section “Supplemental Plan of Distribution (Conflicts of Interest),” for a limited period of time after the trade date, your broker may repurchase the notes at a price that is greater than the estimated value of the notes at that time. However, assuming no changes in any other relevant factors, the price you may receive if you sell your notes is expected to decline gradually during that period.

The notes are not designed to be short-term trading instruments. Accordingly, you should be able and willing to hold your notes to maturity.



The Initial Estimated Value of the Notes Is an Estimate Only, Calculated as of the Time the Terms of the Notes Were Set

Our initial estimated value of the notes is based on the value of our obligation to make the payments on the notes, together with the mid-market value of the derivative embedded in the terms of the notes. See “Structuring the Notes” below. Our estimate is based on a variety of assumptions, including our internal funding rate (which represents a discount from our credit spreads), expectations as to dividends on the underlier stocks, interest rates and volatility, and the expected term of the notes. These assumptions are based on certain forecasts about future events, which may prove to be incorrect. Other entities may value the notes or similar securities at a price that is significantly different than we do.

The value of the notes at any time after the trade date will vary based on many factors, including changes in market conditions, and cannot be predicted with accuracy. As a result, the actual value you would receive if you sold the notes in any secondary market, if any, should be expected to differ materially from our initial estimated value of your notes.

PS-10

---

#### Your Notes Will Not Bear Interest

You will not receive any interest payments on the notes. Even if the amount payable on the notes at maturity exceeds the principal amount of the notes, the overall return you earn on the notes may be less than you would otherwise have earned by investing in a non-indexed debt security of comparable maturity that bears interest at a prevailing market rate. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

#### The Potential for the Value of Your Notes to Increase Will Be Limited

Your ability to participate in any change in the levels of the basket underliers and the level of the basket over the term of your notes will be limited because of the cap level. The cap level will limit the amount in cash you may receive for each of your notes at maturity, no matter how much the level of the basket may rise beyond the cap level over the term of your notes. Accordingly, the amount payable for each of your notes may be significantly less than your return had you invested directly in the underlier stocks.

#### Payment of the Amount Payable on Your Notes Is Subject to Our Credit Risk, and Market Perceptions About Our Creditworthiness May Adversely Affect the Market Value of Your Notes

The notes are our unsecured debt obligations. Investors are subject to our credit risk, and market perceptions about our creditworthiness may adversely affect the market value of the notes. Any decrease in the market's view on or confidence in our creditworthiness is likely to adversely affect the market value of the notes.

#### The Lower Performance of One Basket Underlier May Offset an Increase in One or More Other Basket Underliers

Declines in the level of one basket underlier may offset increases in the level of one or more other basket underliers. As a result, any return on the basket — and thus on your notes — may be reduced or eliminated, which will have the effect of reducing the amount payable in respect of your notes at maturity. In addition, because the basket underliers are not equally weighted, increases in the lower weighted basket underliers may be offset by even small decreases in the more heavily weighted basket underliers.

#### The Amount Payable on Your Notes Is Not Linked to the Level of the Basket at Any Time Other than the Determination Date

The amount payable on your notes will be based on the final basket level. Therefore, for example, if the closing level of one or more basket underliers decreased precipitously on the determination date, the amount payable at maturity may be significantly less than it would otherwise have been had the amount payable been linked to the closing levels of the basket underliers prior to that decrease. Although the actual levels of the basket underliers at maturity or at other times during the term of the notes may be higher than their levels on the determination date, you will not benefit from the closing level of any basket underlier at any time other than the determination date.

#### The Notes May Not Have an Active Trading Market

The notes will not be listed on any securities exchange. The dealer intends to offer to purchase the notes in the secondary market, but is not required to do so. The dealer or any of its affiliates may stop any market-making activities at any time. Even if there is a secondary market, it may not provide enough liquidity to allow you to easily trade or sell the notes. Because other dealers are not likely to make a secondary market for the notes, the price at which you may be able to trade the notes is likely to depend on the price, if any, at which the dealer is willing to buy the notes. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and asked prices for your notes in any secondary market could be substantial.

If you sell your notes before maturity, you may have to do so at a substantial discount from the price that you paid for them, and as a result, you may suffer substantial losses.

#### The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors

The following factors, among others, many of which are beyond our control, may influence the market value of your notes:

- the levels of the basket underliers;
- the volatility—i.e., the frequency and magnitude of changes—of the levels of the basket underliers;
- the dividend rates of the underlier stocks;
- economic, financial, regulatory, political, military and other events that affect stock markets generally and the underlier stocks;
- interest and yield rates in the market;

the time remaining until the notes  
mature; and

our creditworthiness, whether actual or perceived, and including actual or anticipated upgrades or downgrades in our credit ratings or changes in other credit measures.

These factors may influence the market value of your notes if you sell your notes before maturity, including the price you may receive for your notes in any market making transaction. If you sell your notes prior to maturity, you may receive less than the principal amount of your notes.

**An Investment in the Notes Is Subject to Risks Associated with Foreign Securities Markets**

The basket underliers track the value of certain foreign equity securities. The basket underliers are five separate indices, which track the equity markets in a variety of countries and regions. You should be aware that investments in securities

PS-11

---

linked to the value of foreign equity securities involve particular risks. The foreign securities markets comprising the basket underliers may have less liquidity and may be more volatile than U.S. or other securities markets and market developments may affect foreign markets differently from U.S. or other securities markets. Direct or indirect government intervention to stabilize these foreign securities markets, as well as cross-shareholdings in foreign companies, may affect trading prices and volumes in these markets. Also, there is generally less publicly available information about foreign companies than about those U.S. companies that are subject to the reporting requirements of the U.S. Securities and Exchange Commission, and foreign companies are subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies. Prices of securities in foreign countries are subject to political, economic, financial and social factors that apply in those geographical regions. These factors, which could negatively affect those securities markets, include the possibility of recent or future changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities and the possibility of fluctuations in the rate of exchange between currencies, the possibility of outbreaks of hostility and political instability and the possibility of natural disaster or adverse public health development in the region. Moreover, foreign economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, capital reinvestment, resources and self-sufficiency.

The Notes Are Linked to the Underlier Stocks, and Are Therefore Subject to Foreign Currency Exchange Rate Risk Although the underlier stocks are traded principally in non-U.S. dollars, the payments on the notes will not be adjusted due to any changes in currency exchange rates. Changes in the value of one or more of the currencies in which the underlier stocks are traded could have an adverse impact on the value of the notes and the payment at maturity. Foreign currency exchange rates vary over time, and may vary considerably during the life of the notes. Changes in a particular exchange rate result from the interaction of many factors directly or indirectly affecting economic and political conditions.

Of particular importance are:

- existing and expected rates of inflation;
- existing and expected interest rate levels;
- the balance of payments;
- the extent of governmental surpluses or deficits in the relevant countries; and
- other financial, economic, military and political factors.

All of these factors are, in turn, sensitive to the monetary, fiscal and trade policies pursued by the governments of the various component countries and the United States and other countries important to international trade and finance. It has been reported that the U.K. Financial Conduct Authority and regulators from other countries are in the process of investigating the potential manipulation of published currency exchange rates. If such manipulation has occurred or is continuing, certain published exchange rates may have been, or may be in the future, artificially lower (or higher) than they would otherwise have been. Any such manipulation could have an adverse impact on any payments on, and the value of, your notes and the trading market for your notes. In addition, we cannot predict whether any changes or reforms affecting the determination or publication of exchange rates or the supervision of currency trading will be implemented in connection with these investigations. Any such changes or reforms could also adversely impact your notes.

**If the Level or Price of the Basket Underliers or the Underlier Stocks Changes, the Market Value of the Notes May Not Change in the Same Manner**

The notes may trade quite differently from the performance of the basket underliers or the underlier stocks. Changes in the level or price, as applicable, of the basket underliers or the underlier stocks may not result in a comparable change in the market value of the notes. Some of the reasons for this disparity are discussed under “— The Market Value of Your Notes May Be Influenced by Many Unpredictable Factors” above.

**The Return on the Notes Will Not Reflect Any Dividends Paid on the Underlier Stocks**

The basket underlier sponsors calculate the levels of the basket underliers by reference to the prices of the applicable underlier stocks without taking account of the value of dividends paid on those underlier stocks. Therefore, the return on the notes will not reflect the return you would realize if you actually owned the underlier stocks and received the dividends paid on those underlier stocks.

**You Have No Shareholder Rights or Rights to Receive Any Underlier Stock**

Investing in your notes will not make you a holder of any of the underlier stocks. Neither you nor any other holder or owner of your notes will have any voting rights, any right to receive dividends or other distributions, any rights to make a claim against the underlier stock issuers or any other rights with respect to the underlier stocks. Your notes will be paid in cash to the extent any amount is payable at maturity, and you will have no right to receive delivery of any of the underlier stocks.

PS-12

---

**We Will Not Hold Any of the Underlier Stocks for Your Benefit, if We Hold Them at All**

The indenture and the terms governing your notes do not contain any restriction on our ability or the ability of any of our affiliates to sell, pledge or otherwise convey all or any portion of the underlier stocks that we or they may acquire. Neither we nor our affiliates will pledge or otherwise hold any assets for your benefit, including any of these securities. Consequently, in the event of our bankruptcy, insolvency or liquidation, any of those securities that we own will be subject to the claims of our creditors generally and will not be available for your benefit specifically.

**Our Hedging Activities and/or Those of Our Distributors May Negatively Impact Investors in the Notes and Cause Our Interests and Those of Our Clients and Counterparties to Be Contrary to Those of Investors in the Notes**

The dealer or one or more of our other affiliates and/or distributors has hedged or expects to hedge its obligations under the hedging transaction that it may enter into with us by purchasing futures and/or other instruments linked to the basket or to one or more basket underliers or the underlier stocks. The dealer or one or more of our other affiliates and/or distributors also expects to adjust the hedge by, among other things, purchasing or selling any of the foregoing, and perhaps other instruments linked to the basket, or one or more of the basket underliers or underlier stocks, at any time and from time to time, and to unwind the hedge by selling any of the foregoing on or before the determination date.

We, the dealer, or one or more of our other affiliates and/or distributors may also enter into, adjust and unwind hedging transactions relating to other basket- or index-linked notes whose returns are linked to changes in the level or price of the basket, the basket underliers or the underlier stocks. Any of these hedging activities may adversely affect the levels of the basket underliers—directly or indirectly by affecting the price of the underlier stocks—and therefore the market value of the notes and the amount you will receive, if any, on the notes. In addition, you should expect that these transactions will cause us, the dealer or our other affiliates and/or distributors, or our clients or counterparties, to have economic interests and incentives that do not align with, and that may be directly contrary to, those of an investor in the notes. We, the dealer and our other affiliates and/or distributors will have no obligation to take, refrain from taking or cease taking any action with respect to these transactions based on the potential effect on an investor in the notes, and may receive substantial returns with respect to these hedging activities while the value of the notes may decline. Additionally, if the distributor from which you purchase notes is to conduct hedging activities for us in connection with the notes, that distributor may profit in connection with such hedging activities and such profit, if any, will be in addition to the compensation that the distributor receives for the sale of the notes to you. You should be aware that the potential to earn fees in connection with hedging activities may create a further incentive for the distributor to sell the notes to you in addition to the compensation they would receive for the sale of the notes.

**Market Activities by Us and by the Dealer for Our Own Account or for Our Clients Could Negatively Impact Investors in the Notes**

We, the dealer and our other affiliates provide a wide range of financial services to a substantial and diversified client base. As such, we each may act as an investor, investment banker, research provider, investment manager, investment advisor, market maker, trader, prime broker or lender. In those and other capacities, we, the dealer and/or our other affiliates purchase, sell or hold a broad array of investments, actively trade securities (including the notes or other securities that we have issued), the underlier stocks, derivatives, loans, credit default swaps, indices, baskets and other financial instruments and products for our own accounts or for the accounts of our customers, and we will have other direct or indirect interests, in those securities and in other markets that may be not be consistent with your interests and may adversely affect the levels of the basket underliers and/or the value of the notes. Any of these financial market activities may, individually or in the aggregate, have an adverse effect on the levels of the basket underliers and the market value of your notes, and you should expect that our interests and those of the dealer and/or our other affiliates, or our clients or counterparties, will at times be adverse to those of investors in the notes.

In addition to entering into these transactions itself, we, the dealer and our other affiliates may structure these transactions for our clients or counterparties, or otherwise advise or assist clients or counterparties in entering into these transactions. These activities may be undertaken to achieve a variety of objectives, including: permitting other purchasers of the notes or other securities to hedge their investment in whole or in part; facilitating transactions for other clients or counterparties that may have business objectives or investment strategies that are inconsistent with or contrary to those of investors in the notes; hedging the exposure of us, the dealer or our other affiliates in connection with the notes, through their market-making activities, as a swap counterparty or otherwise; enabling us, the dealer or our other affiliates to comply with internal risk limits or otherwise manage firmwide, business unit or product risk;

and/or enabling us, the dealer or our other affiliates to take directional views as to relevant markets on behalf of itself or our clients or counterparties that are inconsistent with or contrary to the views and objectives of investors in the notes.

We, the dealer and our other affiliates regularly offer a wide array of securities, financial instruments and other products into the marketplace, including existing or new products that are similar to the notes or other securities that we may issue, the underlier stocks or other securities or instruments similar to or linked to the foregoing. Investors in the notes should expect that we, the dealer and our other affiliates will offer securities, financial instruments, and other products that may compete with the notes for liquidity or otherwise.

We, the Dealer and Our Other Affiliates Regularly Provide Services to, or Otherwise Have Business Relationships with, a Broad Client Base, Which Has Included and May Include Us and the Issuers of the Underlier Stocks

We, the dealer and our other affiliates regularly provide financial advisory, investment advisory and transactional services to a substantial and diversified client base. You should assume that we or they will, at present or in the future, provide such services or otherwise engage in transactions with, among others, us and the issuers of the underlier stocks, or transact in securities or instruments or with parties that are directly or indirectly related to these entities.

These services could include making loans to or equity investments in those companies, providing financial advisory or other investment banking services, or issuing research reports. You should expect that we, the dealer and our other affiliates, in providing these services, engaging in such transactions, or acting for our own accounts, may take actions that have direct or indirect

PS-13

---

effects on the notes or other securities that we may issue, the underlier stocks or other securities or instruments similar to or linked to the foregoing, and that such actions could be adverse to the interests of investors in the notes. In addition, in connection with these activities, certain personnel within us, the dealer or our other affiliates may have access to confidential material non-public information about these parties that would not be disclosed to investors of the notes.

#### Past Basket Underlier Performance Is No Guide to Future Performance

The actual performance of the basket underliers over the term of the notes may bear little relation to their historical levels. Likewise, the amount payable at maturity may bear little relationship to the hypothetical return table or charts set forth elsewhere in this pricing supplement. We cannot predict the future performance of the basket underliers or the basket. Trading activities undertaken by market participants, including certain investors in the notes or their affiliates, including in short positions and derivative positions, may adversely affect the levels of the basket underliers. As the Calculation Agent, RBCCM Will Have the Authority to Make Determinations that Could Affect the Amount You Receive, if Any, at Maturity

As the calculation agent for the notes, RBCCM will have discretion in making various determinations that affect the notes, including determining the final basket level, which will be used to determine the cash settlement amount at maturity, and determining whether to postpone the determination date because of a market disruption event or because that day is not a trading day. The calculation agent also has discretion in making certain adjustments relating to a discontinuation or modification of a basket underlier, as described under “General Terms of the Notes—Unavailability of the Level of the Underlier” beginning on page PS-6 of the accompanying product prospectus supplement PB-1. The exercise of this discretion by RBCCM, which is our wholly owned subsidiary, could adversely affect the value of the notes and may create a conflict of interest between you and RBCCM. For a description of market disruption events as well as the consequences of the market disruption events, see the section entitled “General Terms of the Notes—Market Disruption Events” beginning on page PS-7 of the accompanying product prospectus supplement PB-1. We may change the calculation agent at any time without notice, and RBCCM may resign as calculation agent at any time.

#### The Policies of the Applicable Basket Underlier Sponsors and Changes that Affect the Basket Underliers or the Underlier Stocks Could Affect the Amount Payable on the Notes, if Any, and Their Market Value

The policies of the basket underlier sponsors concerning the calculation of their levels, additions, deletions or substitutions of the underlier stocks and the manner in which changes affecting such underlier stocks or their issuers, such as stock dividends, reorganizations or mergers, are reflected in the levels of the basket underliers, could affect the levels of the basket underliers and, therefore, the amount payable on the notes, if any, at maturity and the market value of the notes prior to maturity. The amount payable on the notes, if any, and their market value could also be affected if a basket underlier sponsor changes these policies, for example, by changing the manner in which it calculates the level of the applicable basket underlier, or if a basket underlier sponsor discontinues or suspends calculation or publication of the level of a basket underlier, in which case it may become difficult to determine the market value of the notes. If events such as these occur, the calculation agent will determine the amount payable, if any, at maturity as described herein and in the product prospectus supplement.

#### The Calculation Agent Can Postpone the Determination of the Final Basket Level if a Market Disruption Event Occurs or Is Continuing

The determination of the final basket level may be postponed if the calculation agent determines that a market disruption event has occurred or is continuing on the determination date with respect to one or more of the basket underliers. If such a postponement occurs, the determination date will be postponed until the first following trading day on which the calculation agent determines that, on or subsequent to the originally scheduled determination date, each basket underlier has had at least one trading day on which no market disruption event has occurred or is continuing. In no case, however, will the determination date be postponed to a date later than the originally scheduled stated maturity date. If a market disruption event occurs or is continuing on the determination date, the stated maturity date for the notes will also be postponed.

If the determination of the level of a basket underlier for the determination date is postponed to the last possible day, but a market disruption event occurs or is continuing on that day, that day will nevertheless be the date on which the level of that basket underlier will be determined by the calculation agent. In such an event, the calculation agent will make a good faith estimate in its sole discretion of the level that would have prevailed in the absence of the market disruption event. See “Summary Information—Key Terms—Determination date,” “—Stated maturity date” and “—Consequences



a market disruption event or a non-trading day” above.

**There Is No Affiliation Between Any Underlier Stock Issuers or Basket Underlier Sponsors and Us or the Dealer, and Neither We Nor the Dealer Is Responsible for Any Disclosure by Any of the Underlier Stock Issuers or Basket Underlier Sponsors**

We are not affiliated with the issuers of the underlier stocks or with any sponsor of the basket underliers. As discussed herein, however, we, the dealer, and our other affiliates may currently, or from time to time in the future, engage in business with the issuers of the underlier stocks. Nevertheless, none of us, the dealer, or our respective affiliates assumes any responsibility for the accuracy or the completeness of any information about any basket underlier or any of the underlier stocks. You, as an investor in the notes, should make your own investigation into the basket underliers and the underlier stocks. See the section below entitled “The Basket and the Basket Underliers” for additional information about the basket underliers.

Neither the basket underlier sponsors nor any issuers of the underlier stocks are involved in this offering of the notes in any way, and none of them have any obligation of any sort with respect to the notes. Thus, none of these sponsors or any of the issuers of the underlier stocks have any obligation to take your interests into consideration for any reason, including in taking any corporate actions that might affect the value of the notes.

PS-14

---

#### You Must Rely on Your Own Evaluation of the Merits of an Investment Linked to the Basket

In the ordinary course of business, we, the dealer, our other affiliates and any additional dealers, including in acting as a research provider, investment advisor, market maker, principal investor or distributor, may express research or investment views on expected movements in the basket underliers or the underlier stocks, and may do so in the future. These views or reports may be communicated to our clients, clients of our affiliates and clients of any additional dealers, and may be inconsistent with, or adverse to, the objectives of investors in the notes. However, these views are subject to change from time to time. Moreover, other professionals who transact business in markets relating to the basket underliers or the underlier stocks may at any time have significantly different views from those of these entities. For these reasons, you are encouraged to derive information concerning the basket underliers or the underlier stocks from multiple sources, and you should not rely solely on views expressed by us, the dealer, our other affiliates, or any additional dealers.

#### We May Sell an Additional Aggregate Amount of the Notes at a Different Original Issue Price

At our sole option, we may decide to sell an additional aggregate amount of the notes subsequent to the trade date. The price of the notes in the subsequent sale may differ substantially (higher or lower) from the principal amount. If the Original Issue Price for Your Notes Represents a Premium to the Principal Amount, the Return on Your Notes Will Be Lower Than the Return on Notes for Which the Original Issue Price Is Equal to the Principal Amount or Represents a Discount to the Principal Amount

The cash settlement amount will not be adjusted based on the original issue price. If the original issue price for your notes differs from the principal amount, the return on your notes held to maturity will differ from, and may be substantially less than, the return on notes for which the original issue price is equal to the principal amount. If the original issue price for your notes represents a premium to the principal amount and you hold them to maturity, the return on your notes will be lower than the return on notes for which the original issue price is equal to the principal amount or represents a discount to the principal amount.

In addition, the impact of the buffer level and the cap level on the return on your investment will depend upon the price you pay for your notes relative to the principal amount. For example, if you purchase your notes at a premium to the principal amount, the cap level will only permit a lower percentage increase in your investment in the notes than would have been the case for notes purchased at the principal amount or a discount to the principal amount. Similarly, the buffer level, while still providing some protection for the return on the notes, will allow a greater percentage decrease in your investment in the notes than would have been the case for notes purchased at the principal amount or a discount to the principal amount.

#### Significant Aspects of the Income Tax Treatment of an Investment in the Notes Are Uncertain

The tax treatment of an investment in the notes is uncertain. We do not plan to request a ruling from the Internal Revenue Service or the Canada Revenue Agency regarding the tax treatment of an investment in the notes, and the Internal Revenue Service, the Canada Revenue Agency or a court may not agree with the tax treatment described in this pricing supplement.

The Internal Revenue Service has issued a notice indicating that it and the U.S. Treasury Department are actively considering whether, among other issues, a holder should be required to accrue interest over the term of an instrument such as the notes even though that holder will not receive any payments with respect to the notes until maturity or earlier sale or exchange and whether all or part of the gain a holder may recognize upon sale, exchange or maturity of an instrument such as the notes could be treated as ordinary income. The outcome of this process is uncertain and could apply on a retroactive basis.

Please read carefully the section entitled “Supplemental Discussion of U.S. Federal Income Tax Consequences” in the accompanying product prospectus supplement PB-1, the section entitled “Certain Income Tax Consequences” in the accompanying prospectus supplement and the section entitled “Tax Consequences” in the accompanying prospectus. You should consult your tax advisor about your own tax situation.

#### Non-U.S. Investors May Be Subject to Certain Additional Risks

The notes will be denominated in U.S. dollars. If you are a non-U.S. investor who purchases the notes with a currency other than U.S. dollars, changes in rates of exchange may have an adverse effect on the value, price or returns of your investment.

This pricing supplement contains a general description of certain U.S. tax considerations relating to the notes. If you are a non-U.S. investor, you should consult your tax advisors as to the consequences, under the tax laws of the country

where you are resident for tax purposes, of acquiring, holding and disposing of the notes and receiving the payments that might be due under the notes.

For a discussion of certain Canadian federal income tax consequences of investing in the notes, please see the section entitled “Tax Consequences — Canadian Taxation” in the accompanying prospectus. If you are not a Non-resident Holder (as that term is defined in “Tax Consequences — Canadian Taxation” in the accompanying prospectus) or if you acquire the notes in the secondary market, you should consult your tax advisor as to the consequences of acquiring, holding and disposing of the notes and receiving the payments that might be due under the notes.

#### Certain Considerations for Insurance Companies and Employee Benefit Plans

Any insurance company or fiduciary of a pension plan or other employee benefit plan that is subject to the prohibited transaction rules of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), or the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), including an IRA or a Keogh plan (or a governmental plan to which similar prohibitions apply), and that is considering purchasing the notes with the assets of the insurance company or the assets of such a plan, should consult with its counsel regarding whether the purchase or holding of the

PS-15

---

notes could become a “prohibited transaction” under ERISA, the Internal Revenue Code or any substantially similar prohibition in light of the representations a purchaser or holder in any of the above categories is deemed to make by purchasing and holding the notes. This is discussed in more detail under “Employee Retirement Income Security Act” in the accompanying product prospectus supplement PB-1.

PS-16

---

## THE BASKET AND THE BASKET UNDERLIERS

### The Basket

The basket is comprised of five basket underliers with the following initial weights within the basket: the EURO STOXX 50<sup>®</sup> Index (37.00% weighting), the FTSE<sup>®</sup> 100 Index (23.00% weighting), the TOPIX<sup>®</sup> (23.00% weighting), the Swiss Market Index (9.00% weighting) and the S&P<sup>®</sup>/ASX 200 Index (8.00% weighting).

All information contained in this pricing supplement regarding the basket underliers including, without limitation, their make-up, method of calculation and changes in their components and their historical closing values, is derived from publicly available information prepared by the basket underlier sponsors. Such information reflects the policies of, and is subject to change by, the basket underlier sponsors. The basket underlier sponsors own the copyrights and all rights to the basket underliers. The basket underlier sponsors are under no obligation to continue to publish, and may discontinue publication of, the basket underliers. The consequences of the basket underlier sponsors discontinuing or modifying the basket underliers are described in the section entitled “Description of the Notes—Unavailability of the Level of the Underlier” beginning on page PS-6 of the accompanying product prospectus supplement PB-1.

The basket underliers are calculated and maintained by the basket underlier sponsors. Neither we nor RBCCM has participated in the preparation of such documents or made any due diligence inquiry with respect to the basket underliers or basket underlier sponsors in connection with the offering of the notes. In connection with the offering of the notes, neither we nor RBCCM makes any representation that such publicly available information regarding the basket underliers or the basket underlier sponsors is accurate or complete. Furthermore, we cannot give any assurance that all events occurring prior to the offering of the notes (including events that would affect the accuracy or completeness of the publicly available information described in this pricing supplement) that would affect the level of the basket or have been publicly disclosed. Subsequent disclosure of any such events could affect the value received at maturity and therefore the market value of the notes.

As to each basket underlier, sector designations are determined by the applicable basket underlier sponsor using criteria it has selected or developed. Index sponsors may use very different standards for determining sector designations. In addition, many companies operate in a number of sectors, but are listed in only one sector and the basis on which that sector is selected may also differ. As a result, sector comparisons between indices with different index sponsors may reflect differences in methodology as well as actual differences in the sector composition of the indices.

We, the dealer or our respective affiliates may presently or from time to time engage in business with one or more of the issuers of the underlier stocks without regard to your interests, including extending loans to or entering into loans with, or making equity investments in, one or more of such issuers or providing advisory services to one or more of such issuers, such as merger and acquisition advisory services. In the course of business, we, the dealer or our respective affiliates may acquire non-public information about one or more of such issuers and none of us, the dealer or our respective affiliates undertake to disclose any such information to you. In addition, we, the dealer or our respective affiliates from time to time have published and in the future may publish research reports with respect to such issuers. These research reports may or may not recommend that investors buy or hold the securities of such issuers. As a prospective purchaser of the notes, you should undertake an independent investigation of the basket underliers or of the issuers of the underlier stocks to the extent required, in your judgment, to allow you to make an informed decision with respect to an investment in the notes.

We are not incorporating by reference the websites of the basket underlier sponsors or any material it includes into this pricing supplement. In this pricing supplement, unless the context requires otherwise, references to the basket underliers will include any successor underliers to the basket underliers and references to the basket underlier sponsors will include any successors thereto.

## EURO STOXX 50<sup>®</sup> Index

The EURO STOXX 50<sup>®</sup> Index (Bloomberg ticker “SX5E Index”) was created by STOXX, which is owned by Deutsche Börse AG. Publication of the underlier began in February 1998, based on an initial Index level of 1,000 at December 31, 1991.

### Composition and Maintenance

The EURO STOXX 50<sup>®</sup> Index is composed of 50 component stocks of market sector leaders from within the 19 EURO STOXX<sup>®</sup> Supersector indices, which represent the Eurozone portion of the STOXX Europe 600<sup>®</sup> Supersector indices.

Information regarding the EURO STOXX 50<sup>®</sup> Index (including information regarding the countries represented by the securities included in this Basket Underlier and their respective weightings, the industries represented by the securities included in this Basket Underlier and their respective weightings and the top ten components of this Basket Underlier and their respective weightings) may be found on STOXX’s website. That information is updated from time to time on that website. Please note that information included in that website is not included or incorporated by reference in this pricing supplement.

The composition of the EURO STOXX 50<sup>®</sup> Index is reviewed annually, based on the closing stock data on the last trading day in August. The component stocks are announced on the first trading day in September. Changes to the component stocks are implemented on the third Friday in September and are effective the following trading day. Changes in the composition of the EURO STOXX 50<sup>®</sup> Index are made to ensure that the EURO STOXX 50<sup>®</sup> Index includes the 50 market sector leaders from within the EURO STOXX 50<sup>®</sup> Index.

The free float factors for each component stock used to calculate the EURO STOXX 50<sup>®</sup> Index, as described below, are reviewed, calculated, and implemented on a quarterly basis and are fixed until the next quarterly review.

The EURO STOXX 50<sup>®</sup> Index is also reviewed on an ongoing basis. Corporate actions (including initial public offerings, mergers and takeovers, spin-offs, delistings, and bankruptcy) that affect the EURO STOXX 50<sup>®</sup> Index composition are immediately reviewed. Any changes are announced, implemented, and effective in line with the type of corporate action and the magnitude of the effect.

### Calculation of the EURO STOXX 50<sup>®</sup> Index

The EURO STOXX 50<sup>®</sup> Index is calculated with the “Laspeyres formula,” which measures the aggregate price changes in the component stocks against a fixed base quantity weight. The formula for calculating the EURO STOXX 50<sup>®</sup> Index value can be expressed as follows:

$$\text{EURO STOXX 50}^{\text{®}} \text{ Index} = \frac{\text{Free float market capitalization of the EURO STOXX 50}^{\text{®}} \text{ Index}}{\text{Adjusted base date market capitalization of the EURO STOXX 50}^{\text{®}} \text{ Index}} \times 1,000$$

The “free float market capitalization of the EURO STOXX 50<sup>®</sup> Index” is equal to the sum of the products of the closing price, market capitalization, and free float factor for each component stock as of the time the EURO STOXX 50<sup>®</sup> Index is being calculated.

The EURO STOXX 50<sup>®</sup> Index is also subject to a divisor, which is adjusted to maintain the continuity of the EURO STOXX 50<sup>®</sup> Index values across changes due to corporate actions, such as the deletion and addition of stocks, the substitution of stocks, stock dividends, and stock splits.

### License Agreement

We have entered into a non-exclusive license agreement with STOXX providing for the license to us and certain of our affiliated or subsidiary companies, in exchange for a fee, of the right to use indices owned and published by STOXX (including the EURO STOXX 50<sup>®</sup> Index) in connection with certain securities, including the notes offered hereby.

The license agreement between us and STOXX requires that the following language be stated in this document: STOXX has no relationship to us, other than the licensing of the EURO STOXX 50<sup>®</sup> Index and the related trademarks for use in connection with the notes. STOXX does not:

- sponsor, endorse, sell, or promote the notes;
- recommend that any person invest in the notes offered hereby or any other securities;
- have any responsibility or liability for or make any decisions about the timing, amount, or pricing of the notes;
- have any responsibility or liability for the administration, management, or marketing of the notes; or
- consider the needs of the notes or the holders of the notes in determining, composing, or calculating the EURO STOXX 50<sup>®</sup> Index, or have any obligation to do so.

STOXX will not have any liability in connection with the notes. Specifically:

- STOXX does not make any warranty, express or implied, and disclaims any and all warranty concerning:  
the results to be obtained by the notes, the holders of the notes or any other person in connection with the use of the  
EURO STOXX 50<sup>®</sup> Index and the data included in the EURO STOXX 50<sup>®</sup> Index;
- the accuracy or completeness of the EURO STOXX 50<sup>®</sup> Index and its data;
- the merchantability and the fitness for a particular purpose or use of the EURO STOXX 50<sup>®</sup> Index and its data;
- STOXX will have no liability for any errors, omissions, or interruptions in the EURO STOXX 50<sup>®</sup> Index or its data;
- and

PS-18

---

Under no circumstances will STOXX be liable for any lost profits or indirect, punitive, special, or consequential damages or losses, even if STOXX knows that they might occur.

The licensing agreement between us and STOXX is solely for their benefit and our benefit, and not for the benefit of the holders of the notes or any other third parties.

PS-19

---



### The FTSE® 100 Index

The FTSE® 100 Index (Bloomberg ticker “UKX Index”) is a market capitalization-weighted index of the 100 most highly capitalized U.K.-listed blue chip companies traded on the London Stock Exchange. The FTSE® 100 Index was developed with a base level of 1,000 as of December 30, 1983. It is calculated, published and disseminated by FTSE Russell (“FTSE”), a company owned by the London Stock Exchange Group Plc (the “Exchange”). FTSE is under no obligation to continue to publish the FTSE® 100 Index and may discontinue publication of the FTSE® 100 Index at any time.

The FTSE® 100 is a market capitalization-weighted index of the 100 most highly capitalized U.K.-listed blue chip companies traded on the London Stock Exchange. FTSE divides the 100 companies included in the FTSE® 100 Index into 19 sectors: Oil & Gas, Chemicals, Basic Resources, Construction & Materials, Industrial Goods & Services, Automobiles & Parts, Food & Beverage, Personal & Household Goods, Health Care, Retail, Media, Travel & Leisure, Telecommunications, Utilities, Banks, Insurance, Real Estate, Financial Services and Technology.

Information regarding the FTSE® 100 Index (including information regarding the industries represented by the securities included in this Basket Underlier and their respective weightings and the top five components of this Basket Underlier and their respective weightings) may be found on FTSE’s website. That information is updated from time to time on that website. Please note that information included in that website is not included or incorporated by reference in this pricing supplement.

### FTSE® 100 Index Composition and Selection Criteria

The FTSE® 100 Index consists of the 100 largest U.K.-listed blue chip companies, based on full market capitalization, that pass screening tests for price and liquidity. The FTSE® 100 Index is reviewed on a quarterly basis in March, June, September and December based on data from the close of business on the Tuesday before the first Friday of the review month. The FTSE Europe, Middle East & Africa Regional Advisory Committee (the “Committee”), meets quarterly to approve the constituents of the index. These meetings are held on the Wednesday before the first Friday in March, June, September and December. Any constituent changes are implemented after the close of business on the third Friday of the review month (i.e., effective Monday), following the expiration of the London International Financial Futures and Options Exchange futures and options contracts.

### Eligibility Standards

Only “premium listed” equity shares, as defined by the Financial Conduct Authority in its Listing Rules Sourcebook, are eligible for inclusion in the FTSE® 100 Index. Eligible stocks must pass price and liquidity screens before being included in the index. Additionally, a stock must have a free float (as described below) of greater than 5%.

**Price Screen** — With regard to the price screen, the Committee must be satisfied that an accurate and reliable price exists for purposes of determining the market value of a company. To be eligible for inclusion in the FTSE® 100 Index, a stock must have a full listing on the London Stock Exchange with a Sterling-denominated price on SETS (SETS is the London Stock Exchange’s trading service for UK blue chip securities).

**Liquidity Screen** — With regard to liquidity, each eligible stock is tested for liquidity annually in June by calculating its median daily trading per month. When calculating the median of daily trades per month of any security, a minimum of five trading days in each month must exist, otherwise the month is excluded from the test. Liquidity is tested from the first business day in May of the previous year to the last business day of April. The median trade is calculated by ranking each daily trade total and selecting the middle-ranking day. Any period of suspension is not included in the test. The liquidity test is applied on a pro-rata basis where the testing period is less than 12 months. A stock not presently included in the FTSE® 100 Index that does not turnover at least 0.025% of its shares in issue (after application of any investability weightings) based on its median daily trade per month in at least ten of the 12 months prior to the annual index review in June will not be eligible for inclusion until the next annual review. An existing constituent failing to trade at least 0.015% of its shares in issue (after the application of any investability weightings) based on its median daily trade per month for at least eight of the 12 months prior to the annual index review will be removed from the FTSE® 100 Index and will not be eligible for inclusion until the next annual review. New issues will become eligible for inclusion in the index at the quarterly review following their issuance provided that they have a minimum trading record of at least 20 trading days prior to the review date and that they have turned over at least 0.025% of their shares in issue (after the application of any investability weightings) based on their median daily trade per month since listing.

In addition, in order to be included in the FTSE® 100 Index, a company is required to have greater than 5% of its voting rights (aggregated across all of its equity securities, including, where identifiable, those that are not listed or trading) in the hands of unrestricted shareholders. Current constituents of this index that do not meet this requirement will have until the September 2022 review to meet the requirement; otherwise they will be removed from the FTSE® 100 Index.

**Market Capitalization Ranking** — Eligible stocks that pass the price and liquidity screens are ranked by the Committee according to their market capitalization before the application of any adjustments based on the extent to which the shares are publicly traded. Only the quoted equity capital of a constituent company will be included in the calculation of its market capitalization. Where a company has two or more classes of equity, secondary lines will be included in the calculation of the market capitalization of the company only if those lines are significant and liquid. The Committee will add a stock to the FTSE® 100 Index at the quarterly review if it has risen to 90th place or above on the full market capitalization rankings and will delete a stock at the quarterly review if it has fallen to 111th place or below on these rankings. Market capitalization rankings are calculated using data as of the close of business on the day before the review.

**100 Constituent Limitation** — The FTSE® 100 Index always contains 100 constituents. If a greater number of companies qualify to be inserted in the index than qualify to be removed, the lowest ranking constituents of the index will be removed so that the total number of stocks remains at 100 following inclusion of those that qualify to be inserted. Likewise, if a greater number of companies qualify to be removed than to be inserted at the quarterly review, securities of the highest ranking companies that are then not included in the FTSE® 100 Index will be inserted to match the number of companies being removed, in order to maintain the total at 100.

PS-20

---

### Index Calculation

The FTSE® 100 Index is a market capitalization weighted index. This means that the price movement of a larger company (that is, one representing larger percentage of the index) will have a greater effect on the level of the index than will the price movement of a smaller company (that is, one representing a smaller percentage of the index). The value of the FTSE® 100 Index is represented by a fraction, (a) the numerator of which is the sum of the product of (i) the price of each component stock, (ii) the number of shares issued for each such component and (iii) a free float factor for each such component (described more fully below), and (b) the denominator of which is a divisor. The divisor represents the total issued share capital of the index on the base date; the divisor may be adjusted as necessary to allow for changes in issued share capital of individual securities without distorting the index.

As noted above, a free float factor is applied to each index component. By employing this approach, FTSE uses the investable market capitalization, not the total market capitalization, of each constituent to determine the value of the FTSE® 100 Index. Investable market capitalization depends on free float. The following are excluded from free float: shares directly owned by state, regional, municipal and local governments (excluding shares held by independently managed pension schemes for governments); shares held by sovereign wealth funds where each holding is 10% or greater of the total number of shares in issue (if the holding subsequently decreases below 10%, the shares will be excluded from free float until the holding falls below 7%); shares held by directors, senior executives and managers of the company, and by their family and direct relations, and by companies with which they are affiliated; shares held within employee share plans; shares held by public companies or by non-listed subsidiaries of public companies; shares held by founders, promoters, former directors, founding venture capital and private equity firms, private companies and individuals (including employees) where the holding is 10% or greater of the total number of shares in issue (if the holding subsequently decreases below 10%, the shares will be excluded from free float until the holding falls below 7%); all shares where the holder is subject to a lock-in clause (for the duration of that clause, after which free float changes resulting from the expiration of a lock-in clause will be implemented at the next quarterly review subsequent to there being a minimum of 20 business days between the expiration date of such lock-in clause and the index review date); shares held for publicly announced strategic reasons, including shares held by several holders acting in concert; and shares that are subject to ongoing contractual agreements (such as swaps) where they would ordinarily be treated as restricted.

The FTSE® 100 Index is recalculated whenever errors or distortions occur that are deemed to be significant. Users of the FTSE® 100 Index are notified through appropriate media.

### Index Maintenance

The FTSE® 100 Index is reviewed quarterly for changes in free float. A stock's free float is also reviewed and adjusted if necessary following certain corporate events. Following a takeover or merger involving one or more index constituents, the free float restrictions will be based on restricted holdings in the successor company and will be implemented when the offer has completed (or lapsed) unless it directly reflects a corporate action independent of and not conditional on the takeover or merger completing or lapsing. If the corporate event includes another corporate action that affects the index, a change in free float is implemented at the same time as the corporate action. If there is no corporate action, the change in free float will be applied at the next quarterly review. Following the application of an initial free float restriction, a stock's free float will only be changed if its rounded free float moves more than three percentage points above or below the existing rounded free float. Companies with a free float of above 99% and of 15% or below will not be subject to the three percentage points threshold.

At each quarterly review, the Committee publishes a Reserve List containing the six highest ranking non-constituents of the FTSE® 100 Index. The Reserve List will be used in the event that one or more constituents are deleted from the index during the period up to the next quarterly review. If a merger or takeover results in one index constituent being absorbed by another constituent, the resulting company will remain a constituent and a vacancy will be created. This vacancy will be filled by selecting the highest ranking security in the Reserve List as at the close of the FTSE® 100 Index calculation two days prior to the deletion and related index adjustment. If an index constituent is taken over by a non-constituent company, the original constituent will be removed and replaced by the highest ranking non-constituent on the Reserve List. Any eligible company resulting from the takeover will be eligible to become the replacement company if it is ranked higher than any other company on the Reserve List. If a constituent company is split to form two or more companies, then the resulting companies will be eligible for inclusion as FTSE® 100 Index constituents, based on their respective full market capitalizations (before the application of any investability

weightings), provided that they qualify in all other respects. Any eligible company resulting from a split that has no available market price after 20 business days will be removed. If a split results in the inclusion of an ineligible non-equity security, such security will remain in the FTSE® 100 Index for two trading days and then be removed. If a constituent is delisted or ceases to have a firm quotation, it will be removed from the list of constituents and be replaced by the highest ranking eligible company from the Reserve List as at the close of the index calculation two days prior to the deletion.

#### Capitalization Adjustments

A premium listed secondary line of a company will be considered for index inclusion if its total market capitalization before the application of any adjustments based on the extent to which the shares are publicly traded, is greater than 25% of the total market capitalization of the company's principal line and the secondary line is eligible, in its own right. Should the total market capitalization of a secondary line fall below 20% of the total market capitalization of the company's principal line at an annual review, the secondary line will be deleted from the FTSE® 100 Index unless its total market capitalization remains above the qualification level for continued inclusion as a constituent of the FTSE® 100 Index at that review. Where a company has partly paid shares, these shares, together with the outstanding call(s), are both included in the FTSE® 100 Index. Warrants to purchase ordinary shares and convertible securities are not included in the FTSE® 100 Index until they are exercised or converted.

**Share Weighting Changes** — For the purposes of computing the FTSE® 100 Index, the number of shares in issue for each constituent security is expressed to the nearest share and, to prevent a large number of insignificant weighting changes, the number of shares in issue for each constituent security is amended only when the total shares in issue held within the index system changes by more than 1% on a cumulative basis. Changes will be made quarterly after the close of business

PS-21

---

on the third Friday of March, June, September and December. The data for these changes will be taken from the close of business on the third Wednesday of the month prior to the review month.

If a corporate action is applied to a constituent which involves a change in the number of shares in issue, the change in shares will be applied simultaneously with the corporate action. If accumulated changes in the number of shares in issue add up to 10% or more or when an accumulated share change represents \$2 billion of a company's total market capitalization, they are implemented between quarters. If an adjustment is made, it will be applied for the first time at the next review in March of the following year. All adjustments are made before the start of the index calculation on the day concerned, unless market conditions prevent this.

**Shares in Issue Increase** — When a company increases the number of shares it has in issue, the market capitalization of that company increases and the total market capitalization will rise accordingly. The index divisor is adjusted to maintain a constant index value.

**Weighting Amendments** — The market capitalization of a company is adjusted to take account of various corporate actions. To prevent the value of the FTSE® 100 Index from changing due to such an event, all corporate actions which affect the market capitalization of the FTSE® 100 Index require an offsetting divisor adjustment. By adjusting the divisor, the value of the FTSE® 100 Index remains constant before and after the event. Below is a summary of the more frequent corporate actions and their resulting adjustment.

Type of Corporate Action	Adjustment	4,084	3,714	4,403				
Municipal Advantage	3,593	3,142	2,685	3,214	3,229	2,887	2,595	
Municipal Market Opportunity	3,834	3,322	2,873	3,441	3,456	3,081	2,777	
Investment Quality	3,298	2,703	2,387	3,069	2,818	2,432	2,447	
Select Quality	2,882	2,545	2,174	2,603	2,615	2,311	2,101	
Quality Income	4,559	4,027	3,440	4,119	4,137	3,657	3,325	
Premier Municipal	1,667	1,428	1,241	1,514	1,485	1,316	1,235	
Premier Insured	1,860	1,525	1,346	1,731	1,590	1,372	1,380	
Premium Income 2	6,794	5,978	4,918	6,324	5,807	5,429	5,041	
Premium Income 4	3,214	2,773	2,399	2,872	2,885	2,583	2,319	
Dividend Advantage	3,824	3,025	2,671	3,434	3,153	2,755	2,737	
Dividend Advantage 2	2,707	2,201	1,907	2,481	2,268	1,967	1,958	
Dividend Advantage 3	3,677	3,049	2,662	3,423	3,143	2,712	2,728	
Municipal High Income	1,788	1,480	1,293	1,663	1,526	1,316	1,326	
Municipal High Income 2	821	712	577	690	703	628	592	
Insured Dividend Advantage	2,997	2,402	2,096	2,696	2,476	2,241	2,149	
Insured Municipal Opportunity	8,001	7,285	6,035	7,227	7,259	6,731	5,835	
Insured Premium Income 2	2,649	2,269	1,945	2,349	2,361	2,097	1,876	
Insured Quality	3,480	2,854	2,519	3,240	2,975	2,568	2,582	
Insured Tax-Free Advantage	2,249	2,056	1,545	1,987	1,824	2,005	1,584	

Aggregate Compensation from the Funds<sup>(1)</sup>

	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Virginia L. Stringer</b>	<b>Terence J. Toth</b>
lect Maturities	427	\$ 355	\$ 296	\$ 347	\$ 357	\$ 313	\$ 296	\$	\$ 34
lect Portfolio	794	672	627	729	757	613	543		65
lect Portfolio 2	811	687	641	745	774	627	555		66
lect Portfolio 3	621	526	491	570	592	480	424		51
lifornia Portfolio	299	253	236	275	285	231	204		24
ew York Portfolio	188	159	149	173	179	145	129		15
ild America	1,730	1,389	1,259	1,413	1,482	1,370	1,190		1,30
<b>Total Compensation om nveen Funds Paid</b>									
<b>ard embers/Nominees</b>	265,748	230,443	199,401	243,469	243,212	213,579	188,000		230,63

(1) Includes deferred fees. Pursuant to a deferred compensation agreement with certain of the Funds, deferred amounts are treated as though an equivalent dollar amount has been invested in shares of one or more eligible Nuveen funds. Total deferred fees for the Funds (including the return from the assumed investment in the eligible Nuveen funds) payable are:

## Deferred Fees

	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carole E. Stone</b>	<b>Virginia L. Stringer</b>	<b>Terence J. Toth</b>
Municipal Value	1,032	\$ 1,475	\$ 3,531	\$ 5,700	\$ 5,740	\$ 2,714	\$	\$	\$ 1,624
Municipal Value 2									
Municipal Income									
Enhanced Value	34	48	156	185	190	81			37
Premium Income	919	1,258	3,114	5,410	4,968	2,341			1,467
Performance Plus	802	1,185	2,734	4,600	4,621	2,237			1,339
Municipal Advantage	566	828	1,915	3,214	3,229	1,580			934
Municipal Market Opportunity	604	875	2,046	3,441	3,456	1,687			979

## Deferred Fees

	<b>Robert P. Bremner</b>	<b>Jack B. Evans</b>	<b>William C. Hunter</b>	<b>David J. Kundert</b>	<b>William J. Schneider</b>	<b>Judith M. Stockdale</b>	<b>Carol E. L. StonStringer</b>	<b>Virginia L. Terence J. Toth</b>
Investment Quality	521	\$ 714	\$ 1,767	\$ 3,069	\$ 2,818	\$ 1,328	\$	\$ 832
Select Quality	454	671	1,547	2,603	2,615	1,266		757
Quality Income	718	1,061	2,445	4,119	4,137	2,003		1,200
Premier Municipal	262	376	894	1,514	1,485	719		425
Premier Insured	294	403	995	1,731	1,590	750		470
Premium Income 2	1,074	1,578	3,640	6,324	5,807	2,995		1,715
Premium Income 4	506	731	1,711	2,872	2,885	1,413		817
Dividend Advantage	604	799	1,978	3,434	3,153	1,503		931
Dividend Advantage 2	428	581	1,501	2,481	2,268	1,065		657
Dividend Advantage 3	581	805	1,968	3,423	3,143	1,481		947
Municipal High Income	283	391	963	1,663	1,526	718		457
Municipal High Income 2								
Insured Dividend Advantage	474	634	1,547	2,696	2,476	1,232		747
Insured Municipal Opportunity	1,260	1,920	4,289	7,227	7,259	3,710		2,060
Insured Premium Income 2	418	598	1,485	2,349	2,361	1,138		636
Insured Quality	550	754	1,860	3,240	2,975	1,403		880
Insured Tax-Free Advantage	355	543	1,142	1,987	1,824	1,114		539
Select Maturities								
Select Portfolio	129	185	627	729	757	326		148
Select Portfolio 2	132	189	641	745	774	333		151
Select Portfolio 3	101	144	491	570	592	255		116
California Portfolio	49	70	236	275	285	123		56
New York Portfolio	31	44	149	173	179	77		35
Build America	178	261	915	1,012	1,066	467		196

## **Board Leadership Structure and Risk Oversight**

The Board of each Fund (collectively, the Board ) oversees the operations and management of the Fund, including the duties performed for the Funds by the Adviser. The Board has adopted a unitary board structure. A unitary board consists of one group of directors who serve on the board of every fund in the complex. In adopting a unitary board structure, the Board Members seek to provide effective governance through establishing a board, the overall composition of which will, as a body, possess the appropriate skills, independence and experience to oversee the Funds' business. With this overall framework in mind, when the Board, through its Nominating and Governance Committee discussed below, seeks nominees for the Board, the Board Members consider, not only the candidate's particular background, skills and experience, among other things, but also whether such background, skills and experience enhance the Board's diversity and at the same time complement the Board given its current composition and the mix of skills and experiences of the incumbent Board Members. The Nominating and Governance Committee believes that the Board generally benefits from diversity of background, experience and views among its members, and considers this a factor in evaluating the composition of the Board, but has not adopted any specific policy on diversity or any particular definition of diversity.

The Board believes the unitary board structure enhances good and effective governance, particularly given the nature of the structure of the investment company complex. Funds in the same complex generally are served by the same service providers and personnel and are governed by the same regulatory scheme which raises common issues that must be addressed by the Board Members across the fund complex (such as compliance, valuation, liquidity, brokerage, trade allocation or risk management). The Board believes it is more efficient to have a single board review and oversee common policies and procedures which increases the Board's knowledge and expertise with respect to the many aspects of fund operations that are complex-wide in nature. The unitary structure also enhances the Board's influence and oversight over the Adviser and other service providers.

In an effort to enhance the independence of the Board, the Board also has a Chairman that is an Independent Board Member. The Board recognizes that a chairman can perform an important role in setting the agenda for the Board, establishing the boardroom culture, establishing a point person on behalf of the Board for Fund management, and reinforcing the Board's focus on the long-term interests of shareholders. The Board recognizes that a chairman may be able to better perform these functions without any conflicts of interests arising from a position with Fund management. Accordingly, the Board Members have elected Robert P. Bremner as the independent Chairman of the Board. Specific responsibilities of the Chairman include: (i) presiding at all meetings of the Board and of the shareholders; (ii) seeing that all orders and resolutions of the Board Members are carried into effect; and (iii) maintaining records of and, whenever necessary, certifying all proceedings of the Board Members and the shareholders.

Although the Board has direct responsibility over various matters (such as advisory contracts, underwriting contracts and Fund performance), the Board also exercises certain of its oversight responsibilities through several committees that it has established and which report back to the full Board. The Board believes that a committee structure is an effective means to permit Board Members to focus on particular operations or issues affecting the Funds, including risk oversight. More specifically, with respect to risk oversight, the Board has delegated matters relating to valuation and compliance to certain committees (as summarized below) as well as



certain aspects of investment risk. In addition, the Board believes that the periodic rotation of Board Members among the different committees allows the Board Members to gain additional and different perspectives of a Fund's operations. The Board has established five standing committees: the Executive Committee, the Dividend Committee, the Audit Committee, the Compliance, Risk Management and Regulatory Oversight Committee and the Nominating and Governance Committee. The Board may also from time to time create ad hoc committees to focus on particular issues as the need arises. The membership and functions of the standing committees are summarized below.

The Executive Committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board. The members of the Executive Committee are Robert P. Bremner, Chair, Judith M. Stockdale and John P. Amboian. The number of Executive Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The Dividend Committee is authorized to declare distributions on each Fund's shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The members of the Dividend Committee are Jack B. Evans, Chair, Judith M. Stockdale and Terence J. Toth. The number of Dividend Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The Board has an Audit Committee, in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the 1934 Act), that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the New York Stock Exchange or NYSE Amex, as applicable. The Audit Committee assists the Board in the oversight and monitoring of the accounting and reporting policies, processes and practices of the Funds, and the audits of the financial statements of the Funds; the quality and integrity of the financial statements of the Funds; the Funds' compliance with legal and regulatory requirements relating to the Funds' financial statements; the independent auditors' qualifications, performance and independence; and the pricing procedures of the Funds and the internal valuation group of Nuveen. It is the responsibility of the Audit Committee to select, evaluate and replace any independent auditors (subject only to Board and, if applicable, shareholder ratification) and to determine their compensation. The Audit Committee is also responsible for, among other things, overseeing the valuation of securities comprising the Funds' portfolios. Subject to the Board's general supervision of such actions, the Audit Committee addresses any valuation issues, oversees the Funds' pricing procedures and actions taken by Nuveen's internal valuation group which provides regular reports to the committee, reviews any issues relating to the valuation of the Funds' securities brought to its attention and considers the risks to the Funds in assessing the possible resolutions to these matters. The Audit Committee may also consider any financial risk exposures for the Funds in conjunction with performing its functions.

To fulfill its oversight duties, the Audit Committee receives annual and semi-annual reports and has regular meetings with the external auditors for the Funds and the internal audit group at Nuveen. The Audit Committee also may review in a general manner the processes the Board or other Board committees have in place with respect to risk assessment and risk management as well as compliance with legal and regulatory matters relating to the Funds' financial statements. The Audit Committee operates under a written Audit Committee Charter adopted and approved by the Board, which Charter conforms to the listing standards of the New York Stock Exchange or NYSE Amex, as applicable. Members of the Audit Committee are independent (as set forth in the Charter) and free of any relationship that, in the opinion of the

Board Members, would interfere with their exercise of independent judgment as an Audit Committee member. The members of the Audit Committee are Robert P. Bremner, David J. Kundert, Chair, William J. Schneider, Carole E. Stone and Terence J. Toth, each of whom is an Independent Board Member of the Funds. A copy of the Audit Committee Charter is attached as Appendix D. The number of Audit Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The Compliance, Risk Management and Regulatory Oversight Committee (the Compliance Committee) is responsible for the oversight of compliance issues, risk management and other regulatory matters affecting the Funds that are not otherwise the jurisdiction of the other committees. The Board has adopted and periodically reviews policies and procedures designed to address the Funds' compliance and risk matters. As part of its duties, the Compliance Committee reviews the policies and procedures relating to compliance matters and recommends modifications thereto as necessary or appropriate to the full Board; develops new policies and procedures as new regulatory matters affecting the Funds arise from time to time; evaluates or considers any comments or reports from examinations from regulatory authorities and responses thereto; and performs any special reviews, investigations or other oversight responsibilities relating to risk management, compliance and/or regulatory matters as requested by the Board.

In addition, the Compliance Committee is responsible for risk oversight, including, but not limited to, the oversight of risks related to investments and operations. Such risks include, among other things, exposures to particular issuers, market sectors, or types of securities; risks related to product structure elements, such as leverage; and techniques that may be used to address those risks, such as hedging and swaps. In assessing issues brought to the Compliance Committee's attention or in reviewing a particular policy, procedure, investment technique or strategy, the Compliance Committee evaluates the risks to the Funds in adopting a particular approach or resolution compared to the anticipated benefits to the Funds and their shareholders. In fulfilling its obligations, the Compliance Committee meets on a quarterly basis, and at least once a year in person. The Compliance Committee receives written and oral reports from the Funds' Chief Compliance Officer (CCO) and meets privately with the CCO at each of its quarterly meetings. The CCO also provides an annual report to the full Board regarding the operations of the Funds and other service providers' compliance programs as well as any recommendations for modifications thereto. The Compliance Committee also receives reports from the investment services group of Nuveen regarding various investment risks. Notwithstanding the foregoing, the full Board also participates in discussions with management regarding certain matters relating to investment risk, such as the use of leverage and hedging. The investment services group therefore also reports to the full Board at its quarterly meetings regarding, among other things, Fund performance and the various drivers of such performance. Accordingly, the Board directly and/or in conjunction with the Compliance Committee oversees matters relating to investment risks. Matters not addressed at the committee level are addressed directly by the full Board. The Compliance Committee operates under a written charter adopted and approved by the Board. The members of the Compliance Committee are Jack B. Evans, William C. Hunter, William J. Schneider, Judith M. Stockdale, Chair, and Virginia L. Stringer. The number of Compliance Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The Nominating and Governance Committee is responsible for seeking, identifying and recommending to the Board qualified candidates for election or appointment to the Board.

In addition, the Nominating and Governance Committee oversees matters of corporate governance, including the evaluation of Board performance and processes, the assignment and rotation of committee members, and the establishment of corporate governance guidelines and procedures, to the extent necessary or desirable, and matters related thereto. Although the unitary and committee structure has been developed over the years and the Nominating and Governance Committee believes the structure has provided efficient and effective governance, the committee recognizes that as demands on the Board evolve over time (such as through an increase in the number of Funds overseen or an increase in the complexity of the issues raised), the committee must continue to evaluate the Board and committee structures and their processes and modify the foregoing as may be necessary or appropriate to continue to provide effective governance. Accordingly, the Nominating and Governance Committee has a separate meeting each year to, among other things, review the Board and committee structures, their performance and functions, and recommend any modifications thereto or alternative structures or processes that would enhance the Board's governance over the Funds' business.

In addition, the Nominating and Governance Committee, among other things, makes recommendations concerning the continuing education of Board Members; monitors performance of legal counsel and other service providers; establishes and monitors a process by which security holders are able to communicate in writing with Board Members; and periodically reviews and makes recommendations about any appropriate changes to Board Member compensation. In the event of a vacancy on the Board, the Nominating and Governance Committee receives suggestions from various sources, including shareholders, as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The Nominating and Governance Committee sets appropriate standards and requirements for nominations for new Board Members and each nominee is evaluated under the same standards. However, the Nominating and Governance Committee reserves the right to interview any and all candidates and to make the final selection of any new Board Members. In considering a candidate's qualifications, each candidate must meet certain basic requirements, including relevant skills and experience, time availability (including the time requirements for due diligence site visits to internal and external sub-advisers and service providers) and, if qualifying as an Independent Board Member candidate, independence from the Adviser, sub-advisers, underwriters or other service providers, including any affiliates of these entities. These skill and experience requirements may vary depending on the current composition of the Board, since the goal is to ensure an appropriate range of skills, diversity and experience, in the aggregate. Accordingly, the particular factors considered and weight given to these factors will depend on the composition of the Board and the skills and backgrounds of the incumbent Board Member at the time of consideration of the nominees. All candidates, however, must meet high expectations of personal integrity, independence, governance experience and professional competence. All candidates must be willing to be critical within the Board and with management and yet maintain a collegial and collaborative manner toward other Board Members. The Nominating and Governance Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Funds' website at [www.nuveen.com/CEF/Info/Shareholder/](http://www.nuveen.com/CEF/Info/Shareholder/), and is composed entirely of Independent Board Members who are also independent as defined by New York Stock Exchange or NYSE Amex listing standards, as applicable. Accordingly, the members of the Nominating and Governance Committee are Robert P. Bremner, Chair, Jack B. Evans, William C. Hunter, David J. Kundert, William J. Schneider, Judith M. Stockdale, Carole E. Stone, Virginia L. Stringer and Terence J. Toth. The

number of Nominating and Governance Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

The number of regular quarterly meetings and special meetings held by the Board of each Fund during the Fund's last fiscal year is shown in Appendix C. During the last fiscal year, each Board Member attended 75% or more of each Fund's Board meetings and the committee meetings (if a member thereof) held during the period for which such Board Member was a Board Member. The policy of the Board relating to attendance by Board Members at annual meetings of the Funds and the number of Board Members who attended the last annual meeting of shareholders of each Fund is posted on the Funds' website at [www.nuveen.com/CEF/Info/Shareholder/](http://www.nuveen.com/CEF/Info/Shareholder/).

**Board Diversification and Board Member Qualifications.** In determining that a particular Board member was qualified to serve on the Board, the Board has considered each Board Member's background, skills, experience and other attributes in light of the composition of the Board with no particular factor controlling. The Board believes that Board Members need to have the ability to critically review, evaluate, question and discuss information provided to them, and to interact effectively with Fund management, service providers and counsel, in order to exercise effective business judgment in the performance of their duties, and the Board believes each Board Member satisfies this standard. An effective Board Member may achieve this ability through his or her educational background; business, professional training or practice; public service or academic positions; experience from service as a board member or executive of investment funds, public companies or significant private or not-for-profit entities or other organizations; and/or other life experiences. Accordingly, set forth below is a summary of the experiences, qualifications, attributes, and skills that led to the conclusion, as of the date of this document, that each Board Member should continue to serve in that capacity. References to the experiences, qualifications, attributes and skills of Board Members are pursuant to requirements of the Securities and Exchange Commission, do not constitute holding out the Board or any Board Member as having any special expertise or experience and shall not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

#### **John P. Amboian**

Mr. Amboian, an interested Board Member of the Funds, joined Nuveen Investments, Inc. in June 1995 and became Chief Executive Officer in July 2007 and Chairman in November 2007. Prior to this, since 1999, he served as President with responsibility for the firm's product, marketing, sales, operations and administrative activities. Mr. Amboian initially served Nuveen Investments as Executive Vice President and Chief Financial Officer. Prior to joining Nuveen Investments, Mr. Amboian held key management positions with two consumer product firms affiliated with the Phillip Morris Companies. He served as Senior Vice President of Finance, Strategy and Systems at Miller Brewing Company. Mr. Amboian began his career in corporate and international finance at Kraft Foods, Inc., where he eventually served as Treasurer. He received a Bachelor's degree in economics and a Masters of Business Administration (MBA) from the University of Chicago. Mr. Amboian serves on the Board of Directors of Nuveen Investments, Inc. and is a Board Member or Trustee of the Investment Company Institute Board of Governors, Boys and Girls Clubs of Chicago, Children's Memorial Hospital and Foundation, the Council on the Graduate School of Business (University of Chicago), and the North Shore Country Day School Foundation. He is also a member of the Civic Committee of the Commercial Club of Chicago and the Economic Club of Chicago.

**Robert P. Bremner**

Mr. Bremner, the Board's Independent Chairman, is a private investor and management consultant in Washington, D.C. His biography of William McChesney Martin, Jr., a former chairman of the Federal Reserve Board, was published by Yale University Press in November 2004. From 1994 to 1997, he was a Senior Vice President at Samuels International Associates, an international consulting firm specializing in governmental policies, where he served in a part-time capacity. Previously, Mr. Bremner was a partner in the LBK Investors Partnership and was chairman and majority stockholder with ITC Investors Inc., both private investment firms. He currently serves on the Board and as Treasurer of the Humanities Council of Washington D.C. and is a Board Member of the Independent Directors Council affiliated with the Investment Company Institute. From 1984 to 1996, Mr. Bremner was an independent Trustee of the Flagship Funds, a group of municipal open-end funds. He began his career at the World Bank in Washington D.C. He graduated with a Bachelor of Science degree from Yale University and received his MBA from Harvard University.

**Jack B. Evans**

President of the Hall-Perrine Foundation, a private philanthropic corporation, since 1996, Mr. Evans was formerly President and Chief Operating Officer of the SCI Financial Group, Inc., a regional financial services firm headquartered in Cedar Rapids, Iowa. Formerly, he was a member of the Board of the Federal Reserve Bank of Chicago as well as a Director of Alliant Energy. Mr. Evans is Chairman of the Board of United Fire Group, sits on the Board of the Source Media Group, is President Pro Tem of the Board of Regents for the State of Iowa University System, is a Life Trustee of Coe College and is a member of the Advisory Council of the Department of Finance in the Tippie College of Business, University of Iowa. He has a Bachelor of Arts degree from Coe College and an MBA from the University of Iowa.

**William C. Hunter**

Mr. Hunter was appointed Dean of the Henry B. Tippie College of Business at the University of Iowa effective July 1, 2006. He had been Dean and Distinguished Professor of Finance at the University of Connecticut School of Business since June 2003. From 1995 to 2003, he was the Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago. While there he served as the Bank's Chief Economist and was an Associate Economist on the Federal Reserve System's Federal Open Market Committee (FOMC). In addition to serving as a Vice President in charge of financial markets and basic research at the Federal Reserve Bank in Atlanta, he held faculty positions at Emory University, Atlanta University, the University of Georgia and Northwestern University. A past Director of the Credit Research Center at Georgetown University and past President of the Financial Management Association International, he has consulted with numerous foreign central banks and official agencies in Western Europe, Central and Eastern Europe, Asia, Central America and South America. From 1990 to 1995, he was a U.S. Treasury Advisor to Central and Eastern Europe. He has been a Director of the Xerox Corporation since 2004 and Wellmark, Inc. since 2009. He is President-Elect of Beta Gamma Sigma, Inc., the International Business Honor Society.

**David J. Kundert**

Mr. Kundert retired in 2004 as Chairman of JPMorgan Fleming Asset Management, as President and CEO of Banc One Investment Advisors Corporation, and as President of One

Group Mutual Funds. Prior to the merger between Bank One Corporation and JPMorgan Chase and Co., he was Executive Vice President, Bank One Corporation and, since 1995, the Chairman and CEO, Banc One Investment Management Group. From 1988 to 1992, he was President and CEO of Bank One Wisconsin Trust Company. Currently, Mr. Kundert is a Director of the Northwestern Mutual Wealth Management Company. He started his career as an attorney for Northwestern Mutual Life Insurance Company. Mr. Kundert has served on the Board of Governors of the Investment Company Institute and he is currently a member of the Wisconsin Bar Association. He is on the Board of the Greater Milwaukee Foundation and chairs its Investment Committee. He received his Bachelor of Arts degree from Luther College and his Juris Doctor from Valparaiso University.

#### **William J. Schneider**

Mr. Schneider is currently Chairman, formerly Senior Partner and Chief Operating Officer (retired, December 2004) of Miller-Valentine Partners Ltd., a real estate investment company. He was formerly a Director and Past Chair of the Dayton Development Coalition. He was formerly a member of the Community Advisory Board of the National City Bank in Dayton as well as a former member of the Business Advisory Council of the Cleveland Federal Reserve Bank. Mr. Schneider is a member of the Business Advisory Council for the University of Dayton College of Business. Mr. Schneider was an independent Trustee of the Flagship Funds, a group of municipal open-end funds. He also served as Chair of the Miami Valley Hospital and as Chair of the Finance Committee of its parent holding company. Mr. Schneider has a Bachelor of Science in Community Planning from the University of Cincinnati and a Masters of Public Administration from the University of Dayton.

#### **Judith M. Stockdale**

Ms. Stockdale is currently Executive Director of the Gaylord and Dorothy Donnelley Foundation, a private foundation working in land conservation and artistic vitality in the Chicago region and the Lowcountry of South Carolina. Her previous positions include Executive Director of the Great Lakes Protection Fund, Executive Director of Openlands, and Senior Staff Associate at the Chicago Community Trust. She has served on the Boards of the Land Trust Alliance, the National Zoological Park, the Governor's Science Advisory Council (Illinois), the Nancy Ryerson Ranney Leadership Grants Program, Friends of Ryerson Woods and the Donors Forum. Ms. Stockdale, a native of the United Kingdom, has a Bachelor of Science degree in geography from the University of Durham (UK) and a Master of Forest Science degree from Yale University.

#### **Carole E. Stone**

Ms. Stone retired from the New York State Division of the Budget in 2004, having served as its Director for nearly five years and as Deputy Director from 1995 through 1999. Ms. Stone is currently on the Board of Directors of the Chicago Board Options Exchange, CBOE Holdings, Inc. and C2 Options Exchange, Incorporated. She has also served as the Chair of the New York Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. Ms. Stone has a Bachelor of Arts from Skidmore College in Business Administration.

### **Virginia L. Stringer**

Ms. Stringer served as the independent chair of the Board of the First American Funds from 1997 to 2010, having joined that Board in 1987. Ms. Stringer serves on the Governing Board of the Investment Company Institute's Independent Directors Council and on the board of the Mutual Fund Directors Forum. She is a recipient of the Outstanding Corporate Director award from Twin Cities Business Monthly and the Minnesota Chapter of the National Association of Corporate Directors. Ms. Stringer is the immediate past board chair of the Oak Leaf Trust, is a director and immediate past board chair of the Saint Paul Riverfront Corporation and is immediate past President of the Minneapolis Club's Governing Board. She is a director and former board chair of the Minnesota Opera and a Life Trustee and former board of the Voyageur Outward Bound School. She also served as a trustee of Outward Bound USA. She was appointed by the Governor of Minnesota Board on Judicial Standards and recently served on a Minnesota Supreme Court Judicial Advisory Committee to reform the state's judicial disciplinary process. She is a member of the International Women's Forum and attended the London Business School as an International Business Fellow. Ms. Stringer also served as board chair of the Human Resource Planning Society, the Minnesota Women's Campaign Fund and the Minnesota Women's Economic Roundtable. Ms. Stringer is the retired founder of Strategic Management Resources, a consulting practice focused on corporate governance, strategy and leadership. She has twenty five years of corporate experience having held executive positions in general management, marketing and human resources with IBM and the Pillsbury Company.

### **Terence J. Toth**

Mr. Toth has served as a Director of Legal & General Investment Management America, Inc. since 2008 and as a Managing Partner at Promus Capital since 2008. From 2004 to 2007, he was Chief Executive Officer and President of Northern Trust Global Investments, and Executive Vice President of Quantitative Management & Securities Lending from 2000 to 2004. He also formerly served on the Board of the Northern Trust Mutual Funds. He joined Northern Trust in 1994 after serving as Managing Director and Head of Global Securities Lending at Bankers Trust (1986 to 1994) and Head of Government Trading and Cash Collateral Investment at Northern Trust from 1982 to 1986. He currently serves on the Boards of the Goodman Theatre, Chicago Fellowship, and is Chairman of the Board of Catalyst Schools of Chicago. Mr. Toth graduated with a Bachelor of Science degree from the University of Illinois, and received his MBA from New York University. In 2005, he graduated from the CEO Perspectives Program at Northwestern University.

**Board Member Terms.** For each Minnesota Fund except Municipal Value and Municipal Income, all Board Members are elected annually. For each Massachusetts Fund, and Municipal Value and Municipal Income, shareholders will be asked to elect Board Members as each Board Member's term expires, and with respect to Board Members elected by holders of Common Shares such Board Member shall be elected for a term expiring at the time of the third succeeding annual meeting subsequent to their election or thereafter in each case when their respective successors are duly elected and qualified. These provisions could delay for up to two years the replacement of a majority of the Board.

**The Officers**

The following table sets forth information with respect to each officer of the Funds. Officers receive no compensation from the Funds. The officers are elected by the Board on an annual basis to serve until successors are elected and qualified.

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Gifford R. Zimmerman 333 West Wacker Drive Chicago, IL 60606 (9/9/56)	Chief Administrative Officer	Term: Annual Length of Service: Since 1988	Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Securities, LLC; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC and Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of Tradewinds Global Investors, LLC and Santa Barbara Asset Management, LLC (since 2006), and Nuveen HydePark Group, LLC and Nuveen Investment Solutions, Inc. (since 2007) and of Winslow Capital Management, Inc. (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2010) of Nuveen	245



Commodities Asset Management,  
LLC; Chartered Financial Analyst.

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Williams Adams IV 333 West Wacker Drive Chicago, IL 60606 (6/9/55)	Vice President	Term: Annual Length of Service: Since 2007	Senior Executive Vice President, Global Structured Products, formerly, Executive Vice President (1999-2010) of Nuveen Securities, LLC; Co-President of Nuveen Fund Advisors, Inc. (since 2011); Managing Director (since 2010) of Nuveen Commodities Asset Management, LLC.	133
Cedric H. Antosiewicz 333 West Wacker Drive Chicago, IL 60606 (1/11/62)	Vice President	Term: Annual Length of Service: Since 2007	Managing Director (since 2004) of Nuveen Securities LLC.	133
Margo L. Cook 333 West Wacker Drive Chicago, IL 60606 (4/11/64)	Vice President	Term: Annual Length of Service: Since 2009	Executive Vice President (since 2008) of Nuveen Securities, Inc. and of Nuveen Fund Advisors (since 2011); previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Mgt. (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst.	245
Lorna C. Ferguson 333 West Wacker Drive Chicago, IL 60606 (10/24/45)	Vice President	Term: Annual Length of Service: Since 1998	Managing Director (since 2004) of Nuveen Securities, LLC; Managing Director (since 2005) of Nuveen Fund Advisors.	245
Stephen D. Foy 333 West Wacker Drive	Vice President and Controller	Term: Annual	Senior Vice President (since 2010); formerly, Vice President (1993-2010)	245

Chicago, IL 60606  
(5/31/54)

Length of  
Service:  
Since 1993

and Funds Controller (since 1998) of  
Nuveen Securities, LLC; Vice  
President (2005-2010) of Nuveen  
Fund Advisors; Certified Public  
Accountant.

30

---

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Scott S. Grace 333 West Wacker Drive Chicago, IL 60606 (8/20/70)	Vice President and Treasurer	Term: Annual Length of Service: Since 2009	Managing Director, Corporate Finance & Development, Treasurer (since September 2009) of Nuveen Securities, LLC; Managing Director and Treasurer of Nuveen Investment Solutions, Inc., Nuveen Investments Advisers Inc., Nuveen Investments Holdings, Inc., Nuveen Fund Advisors, Inc. and (since 2011) of Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, Inc.; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation.	245
Walter M. Kelly 333 West Wacker Drive Chicago, IL 60606 (2/24/70)	Chief Compliance Officer and Vice President	Term: Annual Length of Service: Since 2003	Senior Vice President (since 2008), formerly, Vice President, of Nuveen Securities, LLC; Senior Vice President (since 2008) and Assistant Secretary (since 2003), of Nuveen Fund Advisors, Inc.	245
Tina M. Lazar 333 West Wacker Drive Chicago, IL 60606	Vice President	Term: Annual Length of	Senior Vice President (since 2009), formerly, Vice President of Nuveen Securities, LLC (1999-2009); Senior	245

(8/27/61)

Service: Vice President (since 2010),  
Since 2002 formerly, Vice President (2005-2010)  
of Nuveen Fund Advisors, Inc.

31

---

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Larry W. Martin 333 West Wacker Drive Chicago, IL 60606 (7/27/51)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 1988	Senior Vice President (since 2010), formerly, Vice President (1993-2010), Assistant Secretary and Assistant General Counsel of Nuveen Securities, LLC; Senior Vice President (since 2011) of Nuveen Asset Management, LLC; Senior Vice President (since 2010), formerly, Vice President (2005-2010), and Assistant Secretary of Nuveen Investments, Inc.; Senior Vice President (since 2010), formerly, Vice President (2005-2010), and Assistant Secretary (since 1997) of Nuveen Fund Advisors, Inc.; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002), NWQ Investment Management Company, LLC, Symphony Asset Management LLC (since 2003), Tradewinds Global Investors, LLC, Santa Barbara Asset Management LLC (since 2006), Nuveen HydePark Group, LLC, Nuveen Investment Solutions, Inc. (since 2007) and of Winslow Capital Management, Inc. (since 2010); Vice President and Assistant Secretary of Nuveen Commodities Asset Management, LLC (since 2010).	245

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Served by Officer
Kevin J. McCarthy 333 West Wacker Drive Chicago, IL 60606 (3/26/66)	Vice President and Secretary	Term: Annual Length of Service: Since 2007	Managing Director (since 2008), formerly, Vice President (2007-2008) of Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary (since 2007) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc. Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Nuveen HydePark Group, LLC, Nuveen Investment Solutions, Inc. and of Winslow Capital Management, Inc. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC; prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007).	245
Kathleen L. Prudhomme 800 Nicollet Mall Minneapolis, MN 55402 (3/30/53)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2011	Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, Inc.; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; Deputy General	245

Counsel, FAF Advisors, Inc.  
(2004-2010).

<sup>(1)</sup> Length of Time Served indicates the year the individual became an officer of a fund in the Nuveen fund complex.  
33

---



## **2. Approval of the Elimination of Fundamental Investment Policies and Approval of New Fundamental Policies for the Affected Municipal Funds**

The Affected Municipal Funds have adopted certain fundamental investment policies relating to (i) investments in municipal securities and below investment grade securities, (ii) investments in other investment companies, (iii) investments in derivatives, short sales and commodities as described below and/or (iv) a Fund's ability to make loans (together, the Current Fundamental Policies, and each, a Current Fundamental Policy), that can only be changed by shareholder vote. The Current Fundamental Policies adopted by the Affected Municipal Funds reflected industry and other market conditions present at the time of the inception of each Fund.

Nuveen's municipal closed-end funds are seeking to adopt a uniform, up to date set of investment policies (the New Investment Policies). Investment policies currently vary across otherwise similar Nuveen municipal closed-end funds, reflecting evolving markets and guidelines as the different funds were launched over the past 20 years. As part of a continuing broader best practices initiative begun approximately 3 years ago, all Nuveen municipal closed-end funds, including the Affected Municipal Funds, are seeking to adopt a uniform set of investment policies that reflect municipal market and regulatory developments over time.

Among other things, the proposed New Investment Policies would permit all Affected Municipal Funds to make loans to the extent permitted by securities laws. This is intended to provide each Fund the flexibility to make loans in circumstances where a municipal issuer is in distress, if the Adviser believes that doing so would both:

- facilitate a timely workout of the issuer's situation in a manner that benefits the Fund; and
- is the best choice for reducing the likelihood or severity of loss on the Fund's investment.

In addition, all funds registered under the 1940 Act are required to have a policy regarding investments in commodities. This category includes several types of investments, including certain types of derivative investments that have developed over time, and which a fund may potentially use as it seeks to enhance return, to hedge some of the risks of its investments in fixed income securities or as a substitute for a position in the underlying asset. The commodity and derivative policy changes stated in this Proxy Statement seek to increase the Adviser's flexibility to use derivatives in these ways in pursuit of Fund investment objectives, which have not changed.

The potential benefits to common shareholders (of Premium Income and Performance Plus) from changes to investment policies relating to investments in municipal securities, below investment grade securities, other investment companies and derivatives, short sales and commodities include:

- enhanced ability of the Funds to generate attractive levels of tax-exempt income, while retaining their orientation on investment grade quality municipal securities;
- increased flexibility in diversifying portfolio risks and managing duration (the sensitivity of bond prices to interest rate changes) to pursue the preservation and possible growth of capital, which, if successful, will help to sustain and build common shareholder net asset value and asset coverage levels for preferred shares; and

improved secondary market competitiveness which may benefit common shareholders through higher relative market price and/or stronger premium/discount performance.

Harmonizing and updating these and other investment objectives is intended to benefit common shareholders by increasing portfolio manager efficiency and flexibility to take advantage of a wide range of appropriate opportunities in the municipal bond markets in pursuit of Fund investment objectives.

In order to implement the New Investment Policies, each Affected Municipal Fund must make certain changes to its existing policies, including certain fundamental policies, that require your vote of approval. In some cases, this may require your separate votes to approve the elimination of a Current Fundamental Policy as well as the implementation of a new, replacement fundamental policy (together, the New Fundamental Policies and each, a New Fundamental Policy). Because each Affected Municipal Fund tends to be situated somewhat differently, the specific changes required to implement the New Investment Policies may vary from Fund to Fund.

The primary purposes of these changes are to provide the Affected Municipal Funds with increased investment flexibility and to create consistent investment policies for all Nuveen municipal bond funds to promote operational efficiencies. Implementation of the New Fundamental Policies is contingent on shareholder approval of the elimination of the Current Fundamental Policies.

The Board has unanimously approved, and unanimously recommends the approval by shareholders of each Affected Municipal Fund, the elimination of the Current Fundamental Policies of the Affected Municipal Funds. In connection with eliminating the Current Fundamental Policies, the Board unanimously approved, and unanimously recommends the approval by shareholders of each Affected Municipal Fund of, the New Fundamental Policies, described below. In addition, the Board has approved certain new non-fundamental policies, described below (the New Non-Fundamental Policies).

**(a) Elimination of Fundamental Policy Relating to Making Loans (All Affected Municipal Funds)**

The Current Fundamental Policy for Municipal Income, Premium Income, Performance Plus, Municipal Advantage, Municipal Market Opportunity, Investment Quality, Quality Income, Premier Municipal, Premier Insured, Premium Income 2, Premium Income 4, Insured Municipal Opportunity, Insured Premium Income 2, Insured Quality, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio and New York Portfolio with respect to making loans, and which is proposed to be eliminated, provides that the respective Fund shall not:

Make loans, other than by entering into repurchase agreements and through the purchase of [Municipal Obligations] [tax-exempt municipal obligations] or temporary investments in accordance with its investment objectives, policies and limitations.

The Current Fundamental Policy for Select Quality, Dividend Advantage, Dividend Advantage 2, Dividend Advantage 3, Insured Dividend Advantage and Insured Tax-Free Advantage with

respect to making loans, and which is proposed to be eliminated, provides that the respective Fund shall not:

Make loans, other than by entering into repurchase agreements and through the purchase of municipal bonds or short-term investments in accordance with its investment objectives, policies and limitations.

**(b) Approval of New Fundamental Policy Relating to Making Loans (All Affected Municipal Funds)**

It is proposed that each Affected Municipal Fund adopt a New Fundamental Policy with respect to making loans. The adoption of the following New Fundamental Policy for each Affected Municipal Fund is contingent on shareholder approval of the elimination of that Affected Municipal Fund's Current Fundamental Policy with respect to making loans, as reflected in 2(a) above. The proposed New Fundamental Policy provides that each Affected Municipal Fund shall not:

Make loans, except as permitted by the Investment Company Act of 1940 and exemptive orders granted under the Investment Company Act of 1940.

**(c) Approval of the Elimination of Fundamental Policy Relating to Investments in Municipal Securities and Below Investment Grade Securities (Premium Income and Performance Plus)**

The Current Fundamental Policy for Premium Income and Performance Plus with respect to investments in municipal securities and the ability to invest in below investment grade securities that is proposed to be eliminated is as follows:

Except to the extent that the Fund buys temporary investments, the Fund will, as a fundamental policy, invest substantially all of its assets (more than 80%) in tax-exempt municipal bonds that are rated at the time of purchase within the four highest grades (Baa or BBB or better) by Moody's or Standard & Poor's, except that the Fund may invest up to 20% of its assets in unrated municipal bonds which, in Nuveen Advisory's opinion, have credit characteristics equivalent to, and are of comparable quality to, municipal bonds so rated. The Fund will not invest in any rated municipal bonds that are rated lower than Baa by Moody's or BBB by Standard & Poor's at the time of purchase.

**(d) Approval of New Fundamental Policy Relating to Investments in Municipal Securities (Premium Income and Performance Plus)**

The following New Fundamental Policy will replace the Current Fundamental Policy for Premium Income and Performance Plus, referenced in 2(c) above. Implementation of the following New Fundamental Policy is contingent on shareholder approval of the elimination of each Fund's Current Fundamental Policy. The proposed New Fundamental Policy with respect to each Fund's investments in municipal securities is as follows:

Under normal circumstances, the Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or any preferred shares outstanding ( Managed Assets ) in municipal securities and other related investments, the income from which is exempt from regular federal income tax.

In addition, the Board has adopted New Non-Fundamental Policies with respect to investing in investment grade securities for Premium Income and Performance Plus, which will be implemented upon the elimination of the Current Fundamental Policy described in 2(c) above. The New Non-Fundamental Policies relating to investing in investment grade securities are as follows:

- (i) Under normal circumstances, the Fund will invest at least 80% of its Managed Assets in investment grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one nationally recognized statistical rating organization or are unrated but judged to be of comparable quality by the Fund's investment adviser.
- (ii) The Fund may invest up to 20% of its Managed Assets in municipal securities that at the time of investment are rated below investment grade or are unrated but judged to be of comparable quality by the Fund's investment adviser.
- (iii) No more than 10% of the Fund's Managed Assets may be invested in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by the Fund's investment adviser.

Related to these changes for Premium Income and Performance Plus, the Board of each Fund has also amended and standardized the description of municipal securities in which a Fund may invest to include various types of municipal securities. The new description, generally provides:

The Fund may invest in various municipal securities, including municipal bonds and notes, other securities issued to finance and refinance public projects, and other related securities and derivative instruments creating exposure to municipal bonds, notes and securities that provide for the payment of interest income that is exempt from federal income tax (Municipal Obligations). Municipal Obligations are generally debt obligations issued by state and local governmental entities and may be issued by U.S. territories to finance or refinance public projects such as roads, schools, and water supply systems. Municipal Obligations may also be issued for private activities, such as housing, medical and educational facility construction, or for privately owned transportation, electric utility and pollution control projects. Municipal Obligations may be issued on a long term basis to provide permanent financing. The repayment of such debt may be secured generally by a pledge of the full faith and credit taxing power of the issuer, a limited or special tax, or any other revenue source including project revenues, which may include tolls, fees and other user charges, lease payments, and mortgage payments. Municipal Obligations may also be issued to finance projects on a short term interim basis, anticipating repayment with the proceeds on long term debt. Municipal Obligations may be issued and purchased in the form of bonds, notes, leases or certificates of participation; structured as callable or noncallable; with payment forms including fixed coupon, variable rate, zero coupon, capital appreciation bonds, tender option bonds, and residual interest bonds or inverse floating rate securities; or acquired through investments in pooled vehicles, partnerships or other investment companies. Inverse floating rate securities are securities that pay interest at rates that vary inversely with changes in prevailing short-term tax-exempt interest rates and represent a leveraged investment in an underlying municipal security, which may increase the effective leverage of the Fund.

**(e) Elimination of the Fundamental Policy Relating to Investing in Other Investment Companies (Premium Income and Performance Plus)**

Premium Income and Performance Plus do not have specific restrictions as to investments in other investment companies. However, each such Fund has an investment policy that only

permits investment in municipal obligations and temporary investments and thereby prohibits investment in other investment companies. The general restriction, which is proposed to be eliminated, is as follows:

The Fund may not invest in securities other than Municipal Obligations and temporary investments as described under Investment Objectives and Policies – Portfolio Investments. \*

In addition, with respect to each Fund's ability to invest in other investment companies, the Board has adopted a New Non-Fundamental Policy to be implemented upon the elimination of that Fund's Current Fundamental Policy relating to investments in other investment companies. The proposed New Non-Fundamental Policy relating to investments in other investment companies is as follows:

The Fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds (often referred to as ETFs)) that invest primarily in municipal securities of the types in which the Fund may invest directly.

**(f) Elimination of Fundamental Policy Relating to Commodities (Premium Income and Performance Plus)**

The Current Fundamental Policy for Premium Income and Performance Plus relating to each Fund's investment in commodities, which is proposed to be eliminated, is as follows:

The Fund, as a fundamental policy, may not purchase or sell commodities or commodities contracts, except for transactions involving futures contracts within the limits described under Certain Trading Strategies of the Fund Financial Futures and Options Transactions. \*

**(g) Approval of New Fundamental Policy Relating to Commodities (Premium Income and Performance Plus)**

It is proposed that Premium Income and Performance Plus adopt a New Fundamental Policy with respect to commodities. The adoption of the following New Fundamental Policy for Premium Income and Performance Plus is contingent on shareholder approval of the elimination of that Fund's Current Fundamental Policy with respect to commodities, as reflected in 2(f) above. The proposed New Fundamental Policy is as follows:

The Fund may not purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or derivative instruments or from investing in securities or other instruments backed by physical commodities).

\* References are to a Fund's registration statement.

**(h) Elimination of Fundamental Policies Relating to Derivatives and Short Sales (Premium Income and Performance Plus)**

The Current Fundamental Policies relating to derivatives and short sales that are proposed to be eliminated are as follows:

**Premium Income**

(i) The Fund may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except for transactions involving options within the limits described under Certain Trading Strategies of the Fund Financial Futures and Options Transactions. \*

(ii) The Fund may not purchase financial futures and options except within the limits described in Certain Trading Strategies of the Fund Financial Futures and Options Transactions. \*

**Performance Plus**

(i) The Fund may not make short sales of securities or purchase any securities on margin (except for such short-term credits as are necessary for the clearance of transactions), or write or purchase put or call options, except to the extent that the purchase of a standby commitment may be considered the purchase of a put, and except for transactions involving options within the limits described under Certain Trading Strategies of the Fund Financial Futures and Options Transactions. \*

(ii) The Fund may not purchase financial futures and options except within the limits described in Certain Trading Strategies of the Fund Financial Futures and Options Transactions. \*

In connection with the elimination of the Current Fundamental Policies relating to derivatives and short sales, as reflected above, the Board has adopted the following New Non-Fundamental Policies for Premium Income and Performance Plus, the implementation of which are contingent on shareholder approval of the elimination of the respective Fund's Current Fundamental Policies with respect to derivatives and short sales. The New Non-Fundamental Policies are as follows:

(i) The Fund may invest in derivative instruments in pursuit of its investment objectives. Such instruments include financial futures contracts, swap contracts (including interest rate and credit default swaps), options on financial futures, options on swap contracts, or other derivative instruments. The Adviser uses derivatives to seek to enhance return, to hedge some of the risks of its investments in fixed income securities or as a substitute for a position in the underlying asset.

(ii) The Fund may not sell securities short, unless the Fund owns or has the right to obtain securities equivalent in kind and amount to the securities sold at no added cost, and provided that transactions in options, futures contracts, options on futures contracts, or other derivative instruments are not deemed to constitute selling securities short.

\* References are to a Fund's registration statement.

(iii) The Fund may not enter into futures contracts or related options or forward contracts, if more than 30% of the Fund's net assets would be represented by futures contracts or more than 5% of the Fund's net assets would be committed to initial margin deposits and premiums on futures contracts and related options.

### **Board Recommendation**

The Board believes that eliminating the Current Fundamental Policies and adopting the New Investment Policies gives the Adviser flexibility to rapidly respond to continuing developments in the municipal market and would enhance the portfolio managers' ability to meet each Affected Municipal Fund's investment objective. In addition, the Board believes that the proposed changes will create consistent investment policies for all Nuveen municipal bond funds and will help to promote operational efficiencies.

**The Board recommends that shareholders of each Affected Municipal Fund vote to approve the elimination of each Current Fundamental Policy and to approve each New Fundamental Policy.**

### **Audit Committee Report**

The Audit Committee of each Board is responsible for the oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audit of the financial statements, of each Fund, (2) the quality and integrity of the Funds' financial statements and (3) the independent registered public accounting firm's qualifications, performance and independence. In its oversight capacity, the committee reviews each Fund's annual financial statements with both management and the independent registered public accounting firm and the committee meets periodically with the independent registered public accounting firm and internal auditors to consider their evaluation of each Fund's financial and internal controls. The committee also selects, retains, evaluates and may replace each Fund's independent registered public accounting firm. The committee is currently composed of five Independent Board Members and operates under a written charter adopted and approved by each Board. Each committee member meets the independence and experience requirements, as applicable, of the New York Stock Exchange, NYSE Amex, Section 10A of the 1934 Act and the rules and regulations of the SEC.

The committee, in discharging its duties, has met with and held discussions with management and each Fund's independent registered public accounting firm. The committee has also reviewed and discussed the audited financial statements with management. Management has represented to the independent registered public accounting firm that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The committee has also discussed with the independent registered public accounting firm the matters required to be discussed by Statement on Auditing Standards (SAS) No. 114, (The Auditor's Communication With Those Charged With Governance), which supersedes SAS No. 61 (Communication with Audit Committees). Each Fund's independent registered public accounting firm provided to the committee the written disclosure required by Public Company Accounting Oversight Board Rule 3526 (Communications with Audit Committees Concerning Independence), and the committee discussed with representatives of the independent registered public accounting firm their firm's independence. As provided in the Audit Committee Charter, it is not the committee's responsibility to determine, and the considerations and discussions referenced above do not ensure, that each Fund's financial statements are

complete and accurate and presented in accordance with generally accepted accounting principles.

Based on the committee's review and discussions with management and the independent registered public accounting firm, the representations of management and the report of the independent registered public accounting firm to the committee, the committee has recommended that the audited financial statements be included in each Fund's Annual Report.

The current members of the committee are:

Robert P. Bremner

David J. Kundert

William J. Schneider

Carole E. Stone

Terence J. Toth



**Audit and Related Fees.** The following tables provide the aggregate fees billed during each Fund's last two fiscal years by each Fund's independent registered public accounting firm for engagements directly related to the operations and financial reporting of each Fund including those relating (i) to each Fund for services provided to the Fund and (ii) to the Adviser and certain entities controlling, controlled by, or under common control with the Adviser that provide ongoing services to each Fund ( "Adviser Entities" ).

	Audit Fees		Audit Related Fees				Tax Fees				All Other Fees			
	Fund <sup>(1)</sup>		Fund <sup>(2)</sup>		Adviser and Adviser Entities		Fund <sup>(3)</sup>		Adviser and Adviser Entities		Fund <sup>(4)</sup>		Adviser and Adviser Entities	
	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010	Fiscal Year Ended 2009	Fiscal Year Ended 2010
Municipal Value	67,037	70,119	0	0	0	0	0	0	0	0	0	0	0	0
Municipal Value 2 <sup>(5)</sup>	12,962	14,119	8,000	0	0	0	0	0	0	0	0	0	0	0
Municipal Income	9,902	10,151	0	0	0	0	0	0	0	0	0	0	0	0
Advanced Value <sup>(6)</sup>	9,000	16,261	0	10,000	0	0	0	0	0	0	0	0	0	0
Premium Income	49,354	50,154	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Performance Plus	50,364	50,714	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Municipal Advantage	37,769	37,449	0	2,000	0	0	0	0	0	0	3,400	1,700	0	0
Municipal Market														
Opportunity	39,670	39,691	0	1,500	0	0	0	0	0	0	3,400	1,700	0	0
Investment Quality	31,342	31,638	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Direct Quality	31,269	31,783	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Quality Income	46,530	46,077	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Senior Municipal	20,430	20,883	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Senior Insured	21,656	21,011	0	0	0	0	0	0	0	0	3,400	3,400	0	0

- (1) Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under Audit Fees.
- (3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) All Other Fees are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.
- (5) The Fund commenced operations on February 25, 2009.
- (6) The Fund commenced operations on September 25, 2009.



	<b>Audit Fees</b>		<b>Audit Related Fees</b>				<b>Tax Fees</b>				<b>All Other Fees</b>			
	<b>Fund<sup>(1)</sup></b>		<b>Fund<sup>(2)</sup></b>		<b>Adviser and Adviser Entities</b>		<b>Fund<sup>(3)</sup></b>		<b>Adviser and Adviser Entities</b>		<b>Fund<sup>(4)</sup></b>		<b>Adviser and Adviser Entities</b>	
	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>
Premium Income 2	35,170	57,383	264	4,200	0	0	0	0	0	0	3,400	3,400	0	0
Premium Income 4	34,379	34,236	0	2,000	0	0	0	0	0	0	3,400	1,700	0	0
Dividend Advantage	33,287	34,459	0	12,500	0	0	0	0	0	0	850	850	0	0
Dividend Advantage	27,300	28,125	6,250	1,500	0	0	0	0	0	0	0	0	0	0
Dividend Advantage	34,599	34,405	0	6,250	0	0	0	0	0	0	850	850	0	0
Municipal High Income	17,763	20,345	22,000	8,000	0	0	0	0	0	0	850	850	0	0
Municipal High Income 2	13,147	14,718	4,000	30,000	0	0	0	0	0	0	0	0	0	0
Reduced Dividend Advantage	29,469	28,671	0	20,000	0	0	0	0	0	0	850	850	0	0
Reduced Municipal Opportunity	65,632	75,634	342	3,150	0	0	0	0	0	0	3,400	3,400	0	0
Reduced Premium Income 2	30,446	30,859	6,250	1,500	0	0	0	0	0	0	0	0	0	0
Reduced Quality	33,607	33,215	0	0	0	0	0	0	0	0	3,400	3,400	0	0
Reduced Tax-Free Advantage	20,357	23,048	312	23,150	0	0	0	0	0	0	850	850	0	0

- (1) Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under Audit Fees.
- (3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) All Other Fees are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.
- (5) The Fund commenced operations on February 25, 2009.
- (6) The Fund commenced operations on September 25, 2009.

	Audit Fees		Audit Related Fees				Tax Fees				All Other Fees			
	Fund <sup>(1)</sup>		Fund <sup>(2)</sup>		Adviser and Adviser Entities		Fund <sup>(3)</sup>		Adviser and Adviser Entities		Fund <sup>(4)</sup>		Adviser and Adviser Entities	
	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011	Fiscal Year Ended 2010	Fiscal Year Ended 2011
Short-Term Maturities	11,513	18,200	0	0	0	0	0	0	0	0	0	0	0	
Short-Term Portfolio	15,092	18,200	0	0	0	0	0	0	0	0	0	0	0	
Short-Term Portfolio 2	15,268	18,200	0	0	0	0	0	0	0	0	0	0	0	
Short-Term Portfolio 3	13,387	18,200	0	0	0	0	0	0	0	0	0	0	0	
California Portfolio	10,198	18,200	0	0	0	0	0	0	0	0	0	0	0	
New York Portfolio	9,111	18,200	0	0	0	0	0	0	0	0	0	0	0	
Latin America <sup>(5)</sup>	N/A	18,200	N/A	6,000	N/A	0	N/A	0	N/A	0	N/A	0	N/A	

- (1) Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements and are not reported under Audit Fees.
- (3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning.
- (4) All Other Fees are the aggregate fees billed for products and services for agreed upon procedures engagements performed for leveraged funds.
- (5) The Fund commenced operations on April 27, 2010.

**Non-Audit Fees.** The following tables provide the aggregate non-audit fees billed by each Fund's independent registered accounting firm for services rendered to each Fund, the Adviser and the Adviser Entities during each Fund's last two fiscal years.

	<b>Total Non-Audit Fees Billed to Advisers and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund)</b>				<b>Total Non-Audit Fees Billed to Advisers and Adviser Entities (All Other Engagements)</b>		<b>Total</b>	
	<b>Total Non-Audit Fees Billed to Fund</b>		<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>
	<b>Fiscal Year Ended 2009</b>	<b>Fiscal Year Ended 2010</b>						
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Municipal Value	0	0	0	0	0	0	0	0
Municipal Value 2 <sup>(1)</sup>	0	0	0	0	0	0	0	0
Municipal Income Enhanced Value <sup>(2)</sup>	0	0	0	0	0	0	0	0
Premium Income	3,400	3,400	0	0	0	0	3,400	3,400
Performance Plus	3,400	3,400	0	0	0	0	3,400	3,400
Municipal Advantage	3,400	1,700	0	0	0	0	3,400	1,700
Municipal Market Opportunity	3,400	1,700	0	0	0	0	3,400	1,700
Investment Quality	3,400	3,400	0	0	0	0	3,400	3,400
Select Quality	3,400	3,400	0	0	0	0	3,400	3,400
Quality Income	3,400	3,400	0	0	0	0	3,400	3,400
Premier Municipal	3,400	3,400	0	0	0	0	3,400	3,400
Premier Insured	3,400	3,400	0	0	0	0	3,400	3,400
Premium Income 2	3,400	3,400	0	0	0	0	3,400	3,400
Premium Income 4	3,400	1,700	0	0	0	0	3,400	1,700
Dividend Advantage	850	850	0	0	0	0	850	850
Dividend Advantage 2	0	0	0	0	0	0	0	0
Dividend Advantage 3	850	850	0	0	0	0	850	850
Municipal High Income	850	850	0	0	0	0	850	850
Municipal High Income 2	0	0	0	0	0	0	0	0
	850	850	0	0	0	0	850	850

Insured Dividend Advantage								
Insured Municipal Opportunity	3,400	3,400	0	0	0	0	3,400	3,400
Insured Premium Income 2	0	0	0	0	0	0	0	0
Insured Quality	3,400	3,400	0	0	0	0	3,400	3,400
Insured Tax-Free Advantage	850	850	0	0	0	0	850	850

(1) The Fund commenced operations on February 25, 2009.

(2) The Fund commenced operations on September 25, 2009.

	<b>Total Non-Audit Fees Billed to Fund</b>		<b>Total Non-Audit Fees Billed to Advisers and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund)</b>		<b>Total Non-Audit Fees Billed to Advisers and Adviser Entities (All Other Engagements)</b>		<b>Total</b>	
	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2011</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2011</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2011</b>	<b>Fiscal Year Ended 2010</b>	<b>Fiscal Year Ended 2011</b>
Select Maturities	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Select Portfolio	0	0	0	0	0	0	0	0
Select Portfolio 2	0	0	0	0	0	0	0	0
Select Portfolio 3	0	0	0	0	0	0	0	0
California Portfolio	0	0	0	0	0	0	0	0
New York Portfolio	0	0	0	0	0	0	0	0
Build America <sup>(1)</sup>	N/A	0	N/A	0	N/A	0	N/A	0

(1) The Fund commenced operations on April 27, 2010.

**Audit Committee Pre-Approval Policies and Procedures.** Generally, the Audit Committee must approve each Fund's independent registered public accounting firm's engagements (i) with the Fund for audit or non-audit services and (ii) with the Adviser and Adviser Entities for non-audit services if the engagement relates directly to the operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent registered public accounting firm for each Fund and the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund), such engagements will be (i) pre-approved by the audit committee if they are expected to be for amounts greater than \$10,000; (ii) reported to the Audit Committee Chairman for his/her verbal approval prior to engagement if they are expected to be for amounts under \$10,000 but greater than \$5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under \$5,000.

The Audit Committee has approved in advance all audit services and non-audit services that the independent registered public accounting firm provided to each Fund and to the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund). None of the services rendered by the independent registered public accounting firm to each Fund or the Adviser or Adviser Entities were pre-approved by the Audit Committee pursuant to the pre-approval exception under Rule 2.01(c)(7)(i)(C) or Rule 2.01(c)(7)(ii) of Regulation S-X.

#### **Additional Information**

##### **Appointment of the Independent Registered Public Accounting Firm**

Each Board has appointed Ernst & Young LLP as independent registered public accounting firm to audit the books and records of each Fund for its current fiscal year. A representative of Ernst & Young LLP will be present at the Annual Meetings to make a statement, if such representative so desires, and to respond to shareholders' questions. Ernst & Young LLP has informed each Fund that it has no direct or indirect material financial interest in the Funds, Nuveen, the Adviser or any other investment company sponsored by Nuveen.

##### **Section 16(a) Beneficial Interest Reporting Compliance**

Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members and officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of a Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the New York Stock Exchange or NYSE Amex, as applicable. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that its Board Members and officers, the Adviser and affiliated persons of the Adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year, except as follows: Mr. James Ruane, an officer of the Funds and the Adviser, made a late filing on Form 3 with respect to Dividend Advantage 3; Mr. William J. Schneider, a Board Member, made a late filing on Form 4 with respect to Performance Plus; Mr. John P. Amboian, a Board Member, made an amended filing on Form 4 with respect to Insured Dividend. To the knowledge of management of the Funds, no shareholder of a Fund owns more than 10% of a registered class of a Fund's equity securities, except as provided in Appendix B.



### **Information About the Adviser**

The Adviser, located at 333 West Wacker Drive, Chicago, Illinois 60606, serves as investment adviser and manager for each Fund. The Adviser is a wholly-owned subsidiary of Nuveen. Nuveen is a wholly-owned subsidiary of Windy City, a corporation formed by investors led by Madison Dearborn Partners, LLC ( MDP ), a private equity investment firm based in Chicago, Illinois. Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds.

### **Shareholder Proposals**

To be considered for presentation at the annual meeting of shareholders of the Funds to be held in 2011, a shareholder proposal submitted pursuant to Rule 14a-8 of the 1934 Act must be received at the offices of that Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than March 1, 2012. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 must, pursuant to each Fund's By-Laws, submit such written notice to the Fund not later than May 15, 2012 or prior to April 25, 2012. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

### **Shareholder Communications**

Fund shareholders who want to communicate with the Board or any individual Board Member should write to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. The letter should indicate that you are a Fund shareholder and note the Fund or Funds that you own. If the communication is intended for a specific Board Member and so indicates it will be sent only to that Board Member. If a communication does not indicate a specific Board Member and it will be sent to the Independent Chairman and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

### **Expenses of Proxy Solicitation**

With respect to routine items, such as the election of Board Members, the cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement and all other costs in connection with the solicitation of proxies will be paid by the Funds pro rata based on the number of shareholder accounts. For non-routine items, such as updating investment policies, the costs in connection with the solicitation of proxies will be paid by the Funds subject to such non-routine items based on the number of shareholder accounts. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives. Any additional costs of solicitation will be paid by the Fund that requires additional solicitation.

### **Fiscal Year**

The fiscal year end for each Fund (except Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Build America) is October 31. The fiscal year end for Build America, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio and New York Portfolio is March 31.

## **Annual Report Delivery**

**Annual reports will be sent to shareholders of record of each Fund following each Fund's fiscal year end. Each Fund will furnish, without charge, a copy of its annual report and/or semi-annual report as available upon request. Such written or oral requests should be directed to such Fund at 333 West Wacker Drive, Chicago, Illinois 60606 or by calling 1-800-257-8787.**

## **Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on July 25, 2011**

**Each Fund's Proxy Statement is available at [www.nuveen.com/CEF/Info/Shareholder/Proxy-statements.aspx](http://www.nuveen.com/CEF/Info/Shareholder/Proxy-statements.aspx). For more information, shareholders may also contact the applicable Fund at the address and phone number set forth above.**

Please note that only one annual report or proxy statement may be delivered to two or more shareholders of a Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report or proxy statement, or for instructions as to how to request a separate copy of such documents or as to how to request a single copy if multiple copies of such documents are received, shareholders should contact the applicable Fund at the address and phone number set forth above.

## **General**

Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Annual Meetings. However, if other matters are properly presented to the Annual Meetings for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund.

A list of shareholders entitled to be present and to vote at each Annual Meeting will be available at the offices of the Funds, 333 West Wacker Drive, Chicago, Illinois, for inspection by any shareholder during regular business hours beginning ten days prior to the date of the Annual Meeting.

Failure of a quorum to be present at any Annual Meeting will necessitate adjournment and will subject that Fund to additional expense. The persons named in the enclosed proxy may also move for an adjournment of any Annual Meeting to permit further solicitation of proxies with respect to the proposal(s) if they determine that adjournment and further solicitation is reasonable and in the best interests of the shareholders. Under each Fund's By-Laws, an adjournment of a meeting with respect to a matter requires the affirmative vote of a majority of the shares entitled to vote on the matter present in person or represented by proxy at the meeting.

**IF YOU CANNOT BE PRESENT AT THE MEETING, YOU ARE REQUESTED TO FILL IN, SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.**

Kevin J. McCarthy  
*Vice President and Secretary*  
*June 22, 2011*

APPENDIX A

**Beneficial Ownership**

The following table lists the dollar range of equity securities beneficially owned by each Board Member nominee in each Fund and in all Nuveen funds overseen by the Board Member nominee as of December 31, 2010.

Municipal Value	Municipal Value 2	Municipal Income	Enhanced Value	Premium Income	Performance Plus	Municipal Advantage	Municipal Market Opportunity	Investment Quality	Select Quality	Quality Income	Premier Municipal	Premier Insured	Pr
<b>who are not interested persons of the Funds</b>													
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$10,001-\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,001-\$50,000	\$0	\$0	\$0	\$1-\$10,000	\$0	\$1-\$50,000
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>who is an interested person of the Funds</b>													
\$0	\$0	\$0	\$0	\$50,000-\$100,000	\$0	\$50,001-\$100,000	\$0	\$0	\$0	\$0	\$10,001-\$50,000	\$0	\$0

A-1

**Dollar Range of Equity Securities**

	Municipal Advantage 3	Insured High Income 2	Insured Dividend Advantage	Insured Municipal Opportunity	Insured Premium Income 2	Insured Quality	Insured Tax-Free Advantage	Select Maturity	Select Portfolio 2	Select Portfolio 3	Select California Portfolio 3
<b>are not interested persons of the Funds</b>	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>is an interested person of the Funds</b>	\$0	\$0	Over \$100,000	\$0	\$50,001- \$100,000	\$0	Over \$100,000	\$0	\$0	\$0	\$0
\$0	\$50,001- \$100,000	\$0	\$0	Over \$100,000	\$0	\$50,001- \$100,000	\$0	Over \$100,000	\$0	\$0	\$0

(1) The amounts reflect the aggregate dollar range of equity securities and the number of shares beneficially owned by the Board Member in the Funds and in all Nuveen funds overseen by the Board Member.

The following table sets forth, for each Board Member and Board Member Nominee and for the Board Members and Board Member Nominees and officers as a group, the amount of shares beneficially owned in each Fund as of December 31, 2010. The information as to beneficial ownership is based on statements furnished by each Board Member and officer.

**Fund Shares Owned By Board Members And Officers<sup>(1)</sup>**

	Municipal Value	Municipal Value	Municipal Income	Financial Value	Premium Income	Performance Plus	Municipal Advantage	Market Opportunity	Investment Quality	Selected Quality	Income	Premier Municipal	Premier Insured
<b>Nominees who are not interested persons of the Funds</b>													
er	0	0	0	0	0	0	0	0	0	0	0	0	0
er	0	0	0	0	0	0	0	0	0	0	0	0	0
t	0	0	0	0	0	0	0	0	0	0	0	0	0
ider	0	3,000	0	0	0	0	0	0	0	0	0	0	0
dale	0	0	0	0	0	0	0	1,051	0	0	0	4	0
	0	0	0	0	0	0	0	0	0	0	0	0	0
ger	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	2,029	0	0	0	0	0	0	0	0
<b>Nominee who is an interested person of the Funds</b>													
n	0	0	0	0	5,000	0	4,000	0	0	0	0	2,500	0
<b>Members and Group</b>	<b>25,101</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>13,000</b>	<b>3,500</b>	<b>7,250</b>	<b>2,350</b>	<b>1,000</b>	<b>0</b>	<b>0</b>	<b>2,504</b>	<b>0</b>

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

**Fund Shares Owned By Board Members and Officers<sup>(1)</sup>**

	Municipal		Insured		Insured		Premium		Insured		Tax-Free		Select		Select		Select	
	Advantage	2	Advantage	3	High Income	2	High Income	2	Quality	Advantage	Maturity	Portfolio	2	Portfolio	2	Portfolio	2	Portfolio
<b>Persons who are not interested persons of the Funds</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	1,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Person who is an interested person of the Funds</b>	0	0	5,000	0	0	22,500	0	5,000	0	22,500	0	0	0	0	0	0	0	0
<b>Total</b>	55,300	1,000	6,312	0	2,000	22,500 <sup>(2)</sup>	3,000	5,000	0	22,500 <sup>(2)</sup>	0	0	0	0	0	0	0	0

(1) The numbers include share equivalents of certain Nuveen funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan.

(2) Shares owned are MuniTermPreferred.

## APPENDIX B

**List of Beneficial Owners Who Own More Than 5% of Any Class of Shares in Any Fund**

The following chart lists each shareholder or group of shareholders who beneficially own more than 5% of any class of shares of any Fund\*:

<b>Fund and Class</b>	<b>Shareholder Name and Address</b>	<b>Amount of Shares Owned</b>	<b>Percentage Owned</b>
Enhanced Value (NEV) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	1,392,425	7.2%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
Municipal Market Opportunity (NMO) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	2,347,229	5.1%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
Premier Municipal (NPF) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	1,555,469	8.0%

First Trust Advisors L.P.<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

The Charger Corporation<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

Premier Insured (NIF) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	1,555,469	8.0%
--	--	-----------	------

First Trust Advisors L.P.<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

The Charger Corporation<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

Premium Income 4 (NPT) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	2,681,747	6.2%
---	--	-----------	------

B-1

---



Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
Dividend Advantage (NAD) Auction Rate Preferred Shares	Citigroup Global Markets Inc. <sup>(b)</sup> 388 Greenwich Street New York, NY 10013	691	14.4%
	Citigroup Financial Products Inc. <sup>(b)</sup> 88 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. <sup>(b)</sup> 88 Greenwich Street New York, NY 10013		
	Citigroup Inc. <sup>(b)</sup> 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	582	12.1%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	433	9.0%

Edgar Filing: ROYAL BANK OF CANADA - Form 424B2

	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	261	5.43%
Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	2,227,043	5.7%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
MuniFund Term Preferred Shares	Karpus Management, Inc. d/b/a Karpus Investment Management 183 Sully s Trail Pittsford, NY 14534	1,533,701	10.63%
Dividend Advantage 3 (NZF) Auction Rate Preferred Shares	Citigroup Global Markets Inc. <sup>(b)</sup> 388 Greenwich Street New York, NY 10013	890	13.2%

B-2

---

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	Citigroup Financial Products Inc. <sup>(b)</sup> 88 Greenwich Street New York, NY 10013		
	Citigroup Global Markets Holdings Inc. <sup>(b)</sup> 88 Greenwich Street New York, NY 10013		
	Citigroup Inc. <sup>(a)</sup> 399 Park Avenue New York, NY 10043		
	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	761	8.0%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	492	5.2%
	UBS AG Bahnhofstrasse 45 PO Box CH-8021 Zurich, Switzerland	1,002	10.57%
Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	3,038,633	7.5%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		

The Charger Corporation<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

MuniFund Term Preferred Shares	Karpus Management, Inc. d/b/a Karpus Investment Management 183 Sully s Trail Pittsford, NY 14534	997,350	14.25%
Municipal High Income (NMZ) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	589	15.5%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	335	8.8%
	Blue Ridge Investments, L.L.C. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	254	6.7%

B-3

---

<b>Fund and Class</b>	<b>Shareholder Name and Address</b>	<b>Amount of Shares Owned</b>	<b>Percentage Owned</b>
Insured Dividend Advantage (NVG) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	301	8.2%
Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	3,810,745	8.2%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
Insured Premium Income 2 (NPX) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	3,200,053	8.6%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		
Insured Quality (NQI) Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	2,400,568	6.3%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400		

Wheaton, IL 60187

The Charger Corporation<sup>(a)</sup>  
 120 East Liberty Drive, Suite 400  
 Wheaton, IL 60187

Insured Tax-Free Advantage (NEA) Auction Rate Preferred Shares	Bank of America Corporation 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	198	12.5%
	Bank of America, N.A. 100 North Tryon Street, Floor 25 Bank of America Corporate Center Charlotte, NC 28255	169	10.6%
Common Shares	First Trust Portfolios L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187	1,646,588	7.4%
	First Trust Advisors L.P. <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		

B-4

---

Fund and Class	Shareholder Name and Address	Amount of Shares Owned	Percentage Owned
	The Charger Corporation <sup>(a)</sup> 120 East Liberty Drive, Suite 400 Wheaton, IL 60187		

- \* The information contained in this table is based on Schedule 13 filings made on or after December 1, 2010.
- (a) First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation filed Schedule 13 jointly and did not differentiate holdings as to each entity.
  - (b) Citigroup Global Markets Inc., Citigroup Financial Products Inc., Citigroup Global Markets Holdings Inc. and Citigroup Inc. filed Schedule 13D and/or 13G jointly and did not differentiate holdings as to each entity.

B-5

---

## APPENDIX C

**NUMBER OF BOARD AND COMMITTEE MEETINGS  
HELD DURING EACH FUND'S LAST FISCAL YEAR**

<b>Fund</b>	<b>Regular Board Meeting</b>	<b>Special Board Meeting</b>	<b>Executive Committee Meeting</b>	<b>Dividend Committee Meeting</b>	<b>Compliance, Risk Management and Regulatory Oversight Committee Meeting</b>	<b>Audit Committee Meeting</b>	<b>Nominating and Governance Committee Meeting</b>
Municipal Value	5	5	0	4	4	4	4
Municipal Value 2	5	5	0	4	4	4	4
Municipal Income	5	5	0	4	4	4	4
Enhanced Value	5	5	0	4	4	4	4
Premium Income	5	16	0	4	4	4	4
Performance Plus	5	12	0	4	4	4	4
Municipal Advantage	5	12	1	4	4	4	4
Municipal Market Opportunity	5	12	1	4	4	4	4
Investment Quality	5	16	0	4	4	4	4
Select Quality	5	12	0	4	4	4	4
Quality Income	5	16	0	4	4	4	4
Premier Municipal	5	16	0	4	4	4	4
Premium Income 2	5	16	0	4	4	4	4
Premium Income 4	5	12	1	4	4	4	4
Dividend Advantage	5	16	2	4	4	4	4
Dividend Advantage 2	5	16	0	4	4	4	4
Dividend Advantage 3	5	16	0	4	4	4	4
Municipal High Income	5	16	0	4	4	4	4
Municipal High Income 2	5	5	0	4	4	4	4
Insured Dividend Advantage	5	16	0	4	4	4	4
Insured Municipal Opportunity	5	16	0	4	4	4	4
Insured Premium Income 2	5	12	1	4	4	4	4
Insured Quality	5	16	0	4	4	4	4
Insured Tax-Free Advantage	5	16	1	4	4	4	4

C-1



<b>Fund</b>					<b>Compliance, Risk Management and Regulatory Oversight Committee Meeting</b>	<b>Nominating and Audit Committee Meeting</b>	<b>Governance Committee Meeting</b>
	<b>Regular Board Meeting</b>	<b>Special Board Meeting</b>	<b>Executive Committee Meeting</b>	<b>Dividend Committee Meeting</b>			
Insured Dividend Advantage	5	16	1	4	4	4	4
Select Maturities	5	5	0	4	4	4	4
Select Portfolio	5	5	0	4	4	4	4
Select Portfolio 2	5	5	0	4	4	4	4
Select Portfolio 3	5	5	0	4	4	4	4
California Portfolio	5	5	0	4	4	4	4
New York Portfolio	5	5	0	4	4	4	4
Build America	5	5	1	4	4	4	4
C-2							

---

**NUVEEN FUND BOARD  
AUDIT COMMITTEE CHARTER**

**I. Organization and Membership**

There shall be a committee of each Board of Directors/Trustees (the Board) of the Nuveen Management Investment Companies (the Funds or, individually, a Fund) to be known as the Audit Committee. The Audit Committee shall be comprised of at least three Directors/Trustees. Audit Committee members shall be independent of the Funds and free of any relationship that, in the opinion of the Directors/Trustees, would interfere with their exercise of independent judgment as an Audit Committee member. In particular, each member must meet the independence and experience requirements applicable to the Funds of the exchanges on which shares of the Funds are listed, Section 10A of the Securities Exchange Act of 1934 (the Exchange Act), and the rules and regulations of the Securities and Exchange Commission (the Commission). Each such member of the Audit Committee shall have a basic understanding of finance and accounting, be able to read and understand fundamental financial statements, and be financially literate, and at least one such member shall have accounting or related financial management expertise, in each case as determined by the Directors/Trustees, exercising their business judgment (this person may also serve as the Audit Committee's financial expert as defined by the Commission). The Board shall appoint the members and the Chairman of the Audit Committee, on the recommendation of the Nominating and Governance Committee. The Audit Committee shall meet periodically but in any event no less frequently than on a semi-annual basis. Except for the Funds, Audit Committee members shall not serve simultaneously on the audit committees of more than two other public companies.

**II. Statement of Policy, Purpose and Processes**

The Audit Committee shall assist the Board in oversight and monitoring of (1) the accounting and reporting policies, processes and practices, and the audits of the financial statements, of the Funds; (2) the quality and integrity of the financial statements of the Funds; (3) the Funds' compliance with legal and regulatory requirements, (4) the independent auditors' qualifications, performance and independence; and (5) oversight of the Pricing Procedures of the Funds and the Valuation Group. In exercising this oversight, the Audit Committee can request other committees of the Board to assume responsibility for some of the monitoring as long as the other committees are composed exclusively of independent directors.

In doing so, the Audit Committee shall seek to maintain free and open means of communication among the Directors/Trustees, the independent auditors, the internal auditors and the management of the Funds. The Audit Committee shall meet periodically with Fund management, the Funds' internal auditor, and the Funds' independent auditors, in separate executive sessions. The Audit Committee shall prepare reports of the Audit Committee as required by the Commission to be included in the Fund's annual proxy statements or otherwise.

The Audit Committee shall have the authority and resources in its discretion to retain special legal, accounting or other consultants to advise the Audit Committee and to otherwise discharge its responsibilities, including appropriate funding as determined by the Audit Committee for compensation to independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for a Fund,

compensation to advisers employed by the Audit Committee, and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, as determined in its discretion. The Audit Committee may request any officer or employee of Nuveen Investments, Inc. (or its affiliates) (collectively, Nuveen ) or the Funds independent auditors or outside counsel to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The Funds independent auditors and internal auditors shall have unrestricted accessibility at any time to Committee members.

### **Responsibilities**

Fund management has the primary responsibility to establish and maintain systems for accounting, reporting, disclosure and internal control.

The independent auditors have the primary responsibility to plan and implement an audit, with proper consideration given to the accounting, reporting and internal controls. Each independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Funds shall report directly to the Audit Committee. The independent auditors are ultimately accountable to the Board and the Audit Committee. It is the ultimate responsibility of the Audit Committee to select, appoint, retain, evaluate, oversee and replace any independent auditors and to determine their compensation, subject to ratification of the Board, if required. These Audit Committee responsibilities may not be delegated to any other Committee or the Board.

The Audit Committee is responsible for the following:

#### **With respect to Fund financial statements:**

1. Reviewing and discussing the annual audited financial statements and semi-annual financial statements with Fund management and the independent auditors including major issues regarding accounting and auditing principles and practices, and the Funds disclosures in its periodic reports under Management s Discussion and Analysis.
2. Requiring the independent auditors to deliver to the Chairman of the Audit Committee a timely report on any issues relating to the significant accounting policies, management judgments and accounting estimates or other matters that would need to be communicated under Statement on Auditing Standards (SAS) No. 90, Audit Committee Communications (which amended SAS No. 61, Communication with Audit Committees), that arise during the auditors review of the Funds financial statements, which information the Chairman shall further communicate to the other members of the Audit Committee, as deemed necessary or appropriate in the Chairman s judgment.
3. Discussing with management the Funds press releases regarding financial results and dividends, as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be done generally, consisting of discussing the types of information to be disclosed and the types of presentations to be made. The Chairman of the Audit Committee shall be authorized to have these discussions with management on behalf of the Audit Committee.

4. Discussing with management and the independent auditors (a) significant financial reporting issues and judgments made in connection with the preparation and presentation of the Funds' financial statements, including any significant changes in the Funds' selection or application of accounting principles and any major issues as to the adequacy of the Funds' internal controls and any special audit steps adopted in light of material control deficiencies; and (b) analyses prepared by Fund management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
5. Discussing with management and the independent auditors the effect of regulatory and accounting initiatives on the Funds' financial statements.
6. Reviewing and discussing reports, both written and oral, from the independent auditors and/or Fund management regarding (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative treatments and disclosures, and the treatment preferred by the independent auditors; and (c) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
7. Discussing with Fund management the Funds' major financial risk exposures and the steps management has taken to monitor and control these exposures, including the Funds' risk assessment and risk management policies and guidelines. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to risk assessment and risk management.
8. Reviewing disclosures made to the Audit Committee by the Funds' principal executive officer and principal financial officer during their certification process for the Funds' periodic reports about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Funds' internal controls. In fulfilling its obligations under this paragraph, the Audit Committee may review in a general manner the processes other Board committees have in place with respect to deficiencies in internal controls, material weaknesses, or any fraud associated with internal controls.

**With respect to the independent auditors:**

1. Selecting, appointing, retaining or replacing the independent auditors, subject, if applicable, only to Board and shareholder ratification; and compensating, evaluating and overseeing the work of the independent auditor (including the resolution of disagreements between Fund management and the independent auditor regarding financial reporting).
2. Meeting with the independent auditors and Fund management to review the scope, fees, audit plans and staffing for the audit, for the current year. At the conclusion of the audit, reviewing such audit results, including the independent auditors

evaluation of the Funds' financial and internal controls, any comments or recommendations of the independent auditors, any audit problems or difficulties and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information, any significant disagreements with management, any accounting adjustments noted or proposed by the auditor but not made by the Fund, any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement, any significant changes required from the originally planned audit programs and any adjustments to the financial statements recommended by the auditors.

3. Pre-approving all audit services and permitted non-audit services, and the terms thereof, to be performed for the Funds by their independent auditors, subject to the de minimis exceptions for non-audit services described in Section 10A of the Exchange Act that the Audit Committee approves prior to the completion of the audit, in accordance with any policies or procedures relating thereto as adopted by the Board or the Audit Committee. The Chairman of the Audit Committee shall be authorized to give pre-approvals of such non-audit services on behalf of the Audit Committee.
4. Obtaining and reviewing a report or reports from the independent auditors at least annually (including a formal written statement delineating all relationships between the auditors and the Funds consistent with Independent Standards Board Standard 1, as may be amended, restated, modified or replaced) regarding (a) the independent auditor's internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm; (c) any steps taken to deal with any such issues; and (d) all relationships between the independent auditor and the Funds and their affiliates, in order to assist the Audit committee in assessing the auditor's independence. After reviewing the foregoing report[s] and the independent auditor's work throughout the year, the Audit Committee shall be responsible for evaluating the qualifications, performance and independence of the independent auditor and their compliance with all applicable requirements for independence and peer review, and a review and evaluation of the lead partner, taking into account the opinions of Fund management and the internal auditors, and discussing such reports with the independent auditors. The Audit Committee shall present its conclusions with respect to the independent auditor to the Board.
5. Reviewing any reports from the independent auditors mandated by Section 10A(b) of the Exchange Act regarding any illegal act detected by the independent auditor (whether or not perceived to have a material effect on the Funds' financial statements) and obtaining from the independent auditors any information about illegal acts in accordance with Section 10A(b).
6. Ensuring the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law, and further considering the rotation of the independent auditor firm itself.

7. Establishing and recommending to the Board for ratification policies for the Funds , Fund management or the Fund adviser s hiring of employees or former employees of the independent auditor who participated in the audits of the Funds.
8. Taking, or recommending that the Board take, appropriate action to oversee the independence of the outside auditor.

**With respect to any internal auditor:**

1. Reviewing the proposed programs of the internal auditor for the coming year. It is not the obligation or responsibility of the Audit Committee to confirm the independence of any Nuveen internal auditors performing services relating to the Funds or to approve any termination or replacement of the Nuveen Manager of Internal Audit.
2. Receiving a summary of findings from any completed internal audits pertaining to the Funds and a progress report on the proposed internal audit plan for the Funds, with explanations for significant deviations from the original plan.

**With respect to pricing and valuation oversight:**

1. The Board has responsibilities regarding the pricing of a Fund s securities under the 1940 Act. The Board has delegated this responsibility to the Committee to address valuation issues that arise between Board meetings, subject to the Board s general supervision of such actions. The Committee is primarily responsible for the oversight of the Pricing Procedures and actions taken by the internal Valuation Group ( Valuation Matters ). The Valuation Group will report on Valuation Matters to the Committee and/or the Board of Directors/Trustees, as appropriate.
2. Performing all duties assigned to it under the Funds Pricing Procedures, as such may be amended from time to time.
3. Periodically reviewing and making recommendations regarding modifications to the Pricing Procedures as well as consider recommendations by the Valuation Group regarding the Pricing Procedures.
4. Reviewing any issues relating to the valuation of a Fund s securities brought to the Committee s attention, including suspensions in pricing, pricing irregularities, price overrides, self-pricing, NAV errors and corrections thereto, and other pricing matters. In this regard, the Committee should consider the risks to the Funds in assessing the possible resolutions of these Valuation Matters.
5. Evaluating, as it deems necessary or appropriate, the performance of any pricing agent and recommend changes thereto to the full Board.
6. Reviewing any reports or comments from examinations by regulatory authorities relating to Valuation Matters of the Funds and consider management s responses to any such comments and, to the extent the Committee deems necessary or appropriate, propose to management and/or the full Board the modification of the Fund s policies and procedures relating to such matters. The Committee, if deemed necessary or desirable, may also meet with regulators.



7. Meeting with members of management of the Funds, outside counsel, or others in fulfilling its duties hereunder, including assessing the continued appropriateness and adequacy of the Pricing Procedures, eliciting any recommendations for improvements of such procedures or other Valuation Matters, and assessing the possible resolutions of issues regarding Valuation Matters brought to its attention.
8. Performing any special review, investigations or oversight responsibilities relating to Valuation as requested by the Board of Directors/Trustees.
9. Investigating or initiating an investigation of reports of improprieties or suspected improprieties in connection with the Fund's policies and procedures relating to Valuation Matters not otherwise assigned to another Board committee.

**Other responsibilities:**

1. Reviewing with counsel to the Funds, counsel to Nuveen, the Fund adviser's counsel and independent counsel to the Board legal matters that may have a material impact on the Fund's financial statements or compliance policies.
2. Receiving and reviewing periodic or special reports issued on exposure/controls, irregularities and control failures related to the Funds.
3. Reviewing with the independent auditors, with any internal auditor and with Fund management, the adequacy and effectiveness of the accounting and financial controls of the Funds, and eliciting any recommendations for the improvement of internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.
4. Reviewing the reports of examinations by regulatory authorities as they relate to financial statement matters.
5. Discussing with management and the independent auditor any correspondence with regulators or governmental agencies that raises material issues regarding the Funds' financial statements or accounting policies.
6. Obtaining reports from management with respect to the Funds' policies and procedures regarding compliance with applicable laws and regulations.
7. Reporting regularly to the Board on the results of the activities of the Audit Committee, including any issues that arise with respect to the quality or integrity of the Funds' financial statements, the Funds' compliance with legal or regulatory requirements, the performance and independence of the Funds' independent auditors, or the performance of the internal audit function.
8. Performing any special reviews, investigations or oversight responsibilities requested by the Board.
9. Reviewing and reassessing annually the adequacy of this charter and recommending to the Board approval of any proposed changes deemed necessary or advisable by the Audit Committee.



D-6

---

10. Undertaking an annual review of the performance of the Audit Committee.
11. Establishing procedures for the receipt, retention and treatment of complaints received by the Funds regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters by employees of Fund management, the investment adviser, administrator, principal underwriter, or any other provider of accounting related services for the Funds, as well as employees of the Funds.

Although the Audit Committee shall have the authority and responsibilities set forth in this Charter, it is not the responsibility of the Audit Committee to plan or conduct audits or to determine that the Funds' financial statements are complete and accurate and are in accordance with generally accepted accounting principles. That is the responsibility of management and the independent auditors. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditors or to ensure compliance with laws and regulations.

D-7

---

Nuveen Investments  
333 West Wacker Drive  
Chicago, IL 60606-1286

(800) 257-8787

[www.nuveen.com](http://www.nuveen.com)

NUV0711

---

**3 EASY WAYS TO VOTE YOUR PROXY**

Nuveen Investments 333 West Wacker Dr. Chicago IL 60606 www.nuveen.com

1. Automated Touch Tone Voting: Call toll-free 1-800-254-4997 and follow the recorded instructions.
2. On the Internet at [www.proxy-direct.com](http://www.proxy-direct.com), and follow the simple instructions.
3. Sign, Date and Return this proxy card using the enclosed postage-paid envelope.

999 999 999 999 99

**FUND NAME PRINTS HERE  
COMMON SHARES**

**THIS PROXY IS SOLICITED BY THE BOARD  
OF THE FUND  
FOR AN ANNUAL MEETING OF  
SHAREHOLDERS, JULY 25, 2011**

The Annual Meeting of shareholders will be held Monday, July 25, 2011 at 10:30 a.m. Central time, in the Lobby Conference Room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, 60606. At this meeting, you will be asked to vote on the proposals described in the proxy statement attached. The undersigned hereby appoints Kevin J. McCarthy and Gifford R. Zimmerman, and each of them, with full power of substitution, proxies for the undersigned, to represent and vote the shares of the undersigned at the Annual Meeting of shareholders to be held on July 25, 2011, or any adjournment or adjournments thereof.

WHETHER OR NOT YOU PLAN TO JOIN US AT THE MEETING, PLEASE COMPLETE, DATE AND SIGN YOUR PROXY CARD AND RETURN IT IN THE ENCLOSED ENVELOPE SO THAT YOUR VOTE WILL BE COUNTED. AS AN ALTERNATIVE, PLEASE CONSIDER VOTING BY TELEPHONE AT 1-800-254-4997 OR OVER THE INTERNET ([www.proxy-direct.com](http://www.proxy-direct.com)).

- Date: \_\_\_\_\_  
SIGN HERE EXACTLY AS NAME(S) APPEAR(S) ON LEFT.  
(Please sign in Box)

NOTE: PLEASE SIGN YOUR NAME EXACTLY AS IT APPEARS ON THIS PROXY. IF SHARES ARE HELD JOINTLY, EACH HOLDER MUST SIGN THE PROXY. IF YOU ARE SIGNING ON BEHALF OF AN ESTATE, TRUST OR CORPORATION, PLEASE STATE YOUR TITLE OR CAPACITY.

- - NUW-NEV-NMD-NBB

---

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Annual Meeting.

**Properly executed proxies will be voted as specified. If no specification is made, such shares will be voted FOR each proposal.**

- **Please fill in box(es) as shown using black or blue ink or number 2 pencil. ý**  
**PLEASE DO NOT USE FINE POINT PENS.** -

1d. Election of Board Members: Class II: (01) John P. Amboian (02) David J. Kundert (03) Terence J. Toth	<b>FOR NOMINEES</b> listed at left (except as marked to the contrary)	<b>WITHHOLD AUTHORITY</b> to vote for all nominees listed at left
--	---	--

.. ..

**(INSTRUCTION: To withhold authority to vote for any individual nominee(s), write the number(s) of the nominee(s) on the line provided above.)**

**FOR                      AGAINST                      ABSTAIN**

3. To transact such other business as may properly come before the Annual Meeting.

**PLEASE SIGN ON REVERSE SIDE**