

NUVEEN AMT-FREE MUNICIPAL INCOME FUND  
Form DEF 14A  
May 04, 2016

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

**Nuveen AMT-Free Municipal Income Fund**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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**IMPORTANT NOTICE TO HOLDERS OF  
VARIABLE RATE DEMAND PREFERRED SHARES OF  
NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)**

**NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO) AND NUVEEN PREMIUM INCOME MUNICIPAL FUND  
2, INC. (NPM)**

**(EACH, A FUND AND COLLECTIVELY, THE FUNDS )**

**MAY 3, 2016**

Although we recommend that you read the complete Joint Proxy Statement, for your convenience, we have provided a brief overview of the issues to be voted on.

**Q. Why am I receiving the enclosed Joint Proxy Statement?**

**A.** You are receiving this Joint Proxy Statement as a holder of Variable Rate Demand Preferred Shares ( VRDP Shares ) of Nuveen AMT-Free Municipal Income Fund (the Acquiring Fund ), Nuveen Municipal Market Opportunity Fund, Inc. ( Market Opportunity ), or Nuveen Premium Income Municipal Fund 2, Inc. ( Premium Income 2 ) in connection with the annual shareholder meetings of the Acquiring Fund, Market Opportunity and Premium Income 2.

At the annual meetings, holders of VRDP Shares will vote on the following proposals, as applicable:

(All Funds) the election of members of each Fund's Board of Directors or Board of Trustees, as applicable (each, a Board or the Board ) (the list of specific nominees is contained in the enclosed Joint Proxy Statement);

(All Funds) the reorganization of Market Opportunity and Premium Income 2 into the Acquiring Fund (the Market Opportunity Reorganization and the Premium Income 2 Reorganization, respectively); and

(Acquiring Fund only) the issuance of additional common shares by the Acquiring Fund in connection with the Market Opportunity Reorganization, the Premium Income 2 Reorganization and the reorganization of Nuveen Performance Plus Municipal Fund, Inc. ( Performance Plus ) into the Acquiring Fund (collectively with the Market Opportunity Reorganization and the Premium Income 2 Reorganization, the Reorganizations ).

Market Opportunity and Premium Income 2, together with Performance Plus, are collectively referred to herein as the Target Funds, and each a Target Fund.

**The Board of each Fund, including the independent Board members, unanimously recommends that you vote FOR each proposal applicable to your Fund.**

*Proposals Regarding the Reorganizations*

**Q. Why have the Boards of the Acquiring Fund, Market Opportunity and Premium Income 2 recommended the Reorganization proposal(s)?**

Nuveen Fund Advisors, LLC ( Nuveen Fund Advisors ), the Funds' investment adviser, recommended the proposed Reorganizations as part of a broad initiative to restructure the

product offerings of Nuveen's leveraged national municipal closed-end funds by creating fewer funds with greater scale and more clearly differentiated and competitive investment mandates. For the reasons set forth below, each Fund's Board has determined that the Reorganizations would be in the best interests of its Fund and has approved its Fund's Reorganization.

Upon the closing of the Reorganizations, the Acquiring Fund's name will be changed to Nuveen Enhanced AMT-Free Quality Municipal Income Fund.

**Q. What are the anticipated benefits of the proposed Reorganizations?**

**A.** Based on information provided by Nuveen Fund Advisors, each Fund's Board believes that the proposed Reorganizations may benefit common shareholders in a number of ways, including, among other things:

The potential for higher common share net earnings over time from increased operating economies of scale, which may support higher distribution rates in the future and increase investor interest in the combined fund, and, in turn may lower the trading discount to net asset value of common shares;

Increased portfolio and leverage management flexibility due to the significantly larger asset base of the combined fund;

Improved secondary market trading for common shares as a result of the combined fund's greater share volume, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements; and

Lower fund operating expenses excluding the costs of leverage for all Funds, as certain fixed costs are spread over a larger asset base (however, total expenses including leverage are expected to be the same for Premium Income 2 and higher for the Acquiring Fund due to increased leverage).

**Q. What proposals will shareholders be asked to vote on in connection with the proposed Reorganizations?**

**A.** Shareholders of Market Opportunity and Premium Income 2 will be asked to vote on an Agreement and Plan of Reorganization, with common shareholders and preferred shareholders voting together as a single class and preferred shareholders also voting separately. Shareholders of the Acquiring Fund will be asked to vote on the issuance of additional common shares in connection with the Reorganizations, with common shareholders and preferred shareholders voting together as a single class and common shareholders also voting separately. In addition, preferred shareholders of the Acquiring Fund will be asked to vote on the Agreement and Plan of Reorganization. The Funds are separately soliciting the votes of the common shareholders and holders of Variable Rate MuniFund Term Preferred Shares ( VMTP Shares ) through separate proxy statements.

**Q. How will holders of VRDP Shares be affected by the Reorganizations?**

**A.** The Acquiring Fund has two series of VRDP Shares and one series of VMTP Shares outstanding as of the date of this Joint Proxy Statement. Each Target Fund has one series of either VMTP Shares or VRDP Shares outstanding as of the date of the enclosed Joint Proxy Statement. Upon the closing of the Reorganizations, holders of VRDP Shares of Market Opportunity and Premium Income 2 will receive, on a one-for-one basis, newly issued VRDP Shares of the Acquiring Fund having substantially similar terms, as of the closing of the Reorganizations, as the VRDP Shares of Market Opportunity or Premium Income 2 exchanged therefor. The documents governing each series of VRDP Shares will be substantially similar. However, dividend rates may vary among the series of VRDP Shares, and redemptions prior to the final mandatory redemption date for each series of VRDP Shares may occur at different times and in different amounts.

Performance Plus has one series of VMTP Shares outstanding as of the date of the enclosed Joint Proxy Statement. In addition to issuing two new series of VRDP Shares to the holders of VRDP Shares of Market Opportunity and Premium Income 2, the Acquiring Fund will issue a new series of VMTP Shares to holders of VMTP Shares of Performance Plus. As a result, preferred shareholders of the Funds will become preferred shareholders of a combined fund with multiple series and types of preferred shares (i.e., VRDP Shares and VMTP Shares) outstanding. The outstanding VRDP Shares and VMTP Shares of the Acquiring Fund and the preferred shares to be issued by the Acquiring Fund in the Reorganizations will have equal priority with each other (and with any other preferred shares that the Acquiring Fund may issue in the future) as to the payment of dividends and the distribution of assets upon the dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The different series of preferred shares will be subject to differing provisions regarding redemptions, dividend payments, rating requirements and other matters as discussed in more detail in the enclosed Joint Proxy Statement.

Following the Reorganizations, holders of preferred shares of the combined fund will hold a smaller percentage of the outstanding preferred shares of the combined fund as compared to their percentage holdings of their respective Fund prior to the Reorganizations. In addition, the voting power of certain series of preferred shares may be more concentrated than others.

**Q. Will the terms of the VRDP Shares to be issued by the Acquiring Fund as part of the Reorganizations be substantially similar to the terms of the Target Fund VRDP Shares currently outstanding?**

**A.** Yes. The terms of the VRDP Shares to be issued by the Acquiring Fund as part of the Reorganizations will be substantially similar, as of the closing of the Reorganizations, to the terms of the VRDP Shares of Market Opportunity or Premium Income 2, as applicable, exchanged therefor, including:

the same short-term credit ratings (without regard to rating modifiers) from one or more rating agencies;

the same liquidation preference and final mandatory redemption date;

the same terms with respect to the payment of an adjustable dividend rate set weekly by a remarketing agent;

the same right to give notice on any business day to tender the securities for remarketing in seven days;

the same terms with respect to the mandatory tender for remarketing upon the occurrence of certain events; and

the benefit of an unconditional demand feature pursuant to a purchase agreement provided by a liquidity provider substantially identical to the unconditional demand feature in effect immediately prior to the closing of the Reorganizations with respect to the outstanding series of VRDP Shares.

However, there are certain differences between the VRDP Shares to be issued in the Reorganizations and the Target Fund VRDP Shares exchanged therefor, including changes to: (i) resolve certain inconsistencies and ambiguities created by having multiple series of VRDP Shares and other preferred shares concurrently outstanding and provide increased flexibility in the mandatory redemption provisions as to the relative amounts of different types of preferred shares to be redeemed, consistent with the terms of the outstanding VRDP Shares and VMTP Shares of the Acquiring Fund; (ii) provide increased flexibility and clarification regarding rating agency requirements, further to the increased flexibility and clarification included in offerings by Nuveen funds since at least December 2013; (iii) increase flexibility to replace a liquidity provider; and (iv) provide flexibility for different or modified terms in connection with a special rate period. A vote by a holder of VRDP Shares of Market Opportunity or Premium Income 2 for that Fund's Reorganization is effectively a vote in favor of the foregoing changes.

**Q. Do the Funds have similar investment objectives, policies and risks?**

**A.** Yes. The Funds have similar investment objectives, policies and risks. While there are certain wording differences among the Funds investment objectives, each Fund seeks to provide current income exempt from regular federal income tax (and, in the case of the Acquiring Fund, the federal alternative minimum tax applicable to individuals) and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal securities that the Fund's investment adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued.

The Acquiring Fund has a fundamental investment policy requiring it to invest at least 80% of its managed assets in securities the income from which is exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals. Each Target Fund has a fundamental investment policy requiring it to invest at least 80% of its managed assets in securities the income from which is exempt from regular federal income tax.

Each Fund may invest up to 35% of its managed assets in securities rated, at the time of investment, below the three highest grades (Baa or BBB or lower) by at least one nationally recognized statistical rating organization, which includes below-investment-grade municipal securities or unrated securities judged to be of comparable quality by the Fund's sub-adviser. In addition, the Acquiring Fund is required to invest 100% of its managed assets in securities the income from which is exempt from the federal alternative minimum tax applicable to individuals.

Each Fund is a diversified, closed-end management investment company and currently employs leverage through the issuance of preferred shares and the use of inverse floating rate securities.

**Q. Do the Reorganizations constitute a taxable event for holders of VRDP Shares of Market Opportunity and Premium Income 2?**

**A.** No. Each Reorganization is intended to qualify as a tax-free reorganization for federal income tax purposes. As a holder of VRDP Shares it is expected that you will recognize no gain or loss for federal income tax purposes as a direct result of the Reorganizations, except that gain or loss may be recognized if you hold VRDP Shares of Market Opportunity or Premium Income 2 and exercise dissenters' rights of appraisal under Minnesota law. Prior to the closing of the Reorganizations, each Target Fund expects to declare a distribution to its common shareholders of all of its net investment income and net capital gains, if any. All or a portion of such distribution may be taxable to a Target Fund's shareholders for federal income tax purposes. Prior to the closing of the Reorganizations, each Target Fund is expected to sell the municipal securities in its portfolio that generate income subject to the federal alternative minimum tax applicable to individuals. Such sales are expected to be less than 5% of the assets of each Target Fund. To the extent that portfolio securities of a Target Fund are sold prior to the closing of the Reorganizations, such Fund may realize gains or losses, which may increase or decrease the net capital gains or net investment income to be distributed by such Fund. Income and gains from such sales will be taxable to the Fund's preferred shareholders to the extent such amounts are required to be allocated to distributions received by preferred shareholders.

**Q. What will happen if the required shareholder approvals are not obtained?**

**A.** The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. The closing of each Reorganization is also subject to the satisfaction or waiver of certain closing conditions, which include customary closing conditions. In order for the Reorganizations to occur, all requisite shareholder approvals must be obtained at each of the Acquiring Fund and Target Funds' respective annual meetings, and certain other consents, confirmations and/or waivers must also be obtained from various third parties, including the holders of the outstanding VMTP Shares of the Acquiring Fund and Performance Plus under the purchase agreements relating to such VMTP Shares and liquidity providers with respect to the outstanding VRDP Shares of the Acquiring Fund, Market Opportunity and Premium Income 2. Because the closing of the Reorganizations is contingent upon each of the Target Funds and the Acquiring Fund obtaining such shareholder approvals and satisfying (or obtaining the waiver of) other closing conditions, it is possible that the Reorganizations will not occur, even if shareholders of your Fund entitled to vote on your Fund's Reorganization proposal(s) approve such proposal(s) and your Fund satisfies all of its closing conditions, if one or more of the other Funds does not obtain its requisite shareholder approvals or satisfy (or obtain the waiver of) its closing conditions. If the Reorganizations are not consummated, each Fund's Board may take such actions as it deems in the best interests of its Fund.

**Q. Will holders of VRDP Shares have to pay any fees or expenses in connection with the Reorganizations?**

**A.** No. Common shareholders will indirectly bear the costs of the Reorganizations, whether or not the Reorganizations are consummated. Preferred shareholders will not bear any costs of the

Reorganizations. The total costs of the Reorganizations are estimated to be \$2,330,000, and each Fund's allocable share of such costs will be reflected in its net asset value at or before the close of trading on the business day immediately prior to the closing of the Reorganizations. The estimated allocation of the costs among the Funds is as follows: \$690,000 (0.06%) for the Acquiring Fund, \$575,000 (0.06%) for Performance Plus, \$435,000 (0.06%) for Market Opportunity and \$630,000 (0.06%) for Premium Income 2 (all percentages are based on average net assets applicable to common shares for the twelve (12) months ended October 31, 2015). The allocation of the costs of the Reorganizations will be based on the relative expected benefits of the Reorganizations comprised of forecasted operating cost savings (i.e., total expenses excluding the costs of leverage) and improved secondary market trading, if any, to each Fund during the first year following the Reorganizations.

**Q. What is the timetable for the Reorganizations?**

**A.** If the shareholder approval and other conditions to closing are satisfied (or waived), the Reorganizations are expected to take effect on or about July 11, 2016, or as soon as practicable thereafter.

**Q. How does the Board of each of the Acquiring Fund, Market Opportunity and Premium Income 2 recommend that holders of each Fund's VRDP Shares vote on the Reorganizations?**

**A.** After careful consideration, each Fund's Board has determined that the Reorganizations are in the best interests of its Fund and recommends that you vote FOR your Fund's proposal.

**General**

**Q. Who do I call if I have questions?**

**A.** If you need any assistance, or have any questions regarding the proposal or how to vote your VRDP Shares, please call Computershare Fund Services, the proxy solicitor hired by your Fund, at (866) 612-5814 weekdays during its business hours of 9:00 a.m. to 11:00 p.m. and Saturdays 12:00 p.m. to 6:00 p.m. Eastern time. Please have your proxy materials available when you call.

**Q. How do I vote my VRDP Shares?**

**A.** You may vote by mail, by telephone or over the Internet:

*To vote by mail*, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

*To vote by telephone*, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

*To vote over the Internet*, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.



**Q. Will anyone contact me?**

**A.** You may receive a call from Computershare Fund Services, the proxy solicitor hired by your Fund, to verify that you received your proxy materials, to answer any questions you may have about the proposals and to encourage you to vote your proxy.

We recognize the inconvenience of the proxy solicitation process and would not impose on you if we did not believe that the matters being proposed were important. Once your vote has been registered with the proxy solicitor, your name will be removed from the solicitor's follow-up contact list.

**Your vote is very important. We encourage you as a shareholder to participate in your Fund's governance by returning your vote as soon as possible. If enough shareholders fail to cast their votes, your Fund may not be able to hold its meeting or the vote on each issue, and will be required to incur additional solicitation costs in order to obtain sufficient shareholder participation.**

MAY 3, 2016

NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)

NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO) AND NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (NPM)

(EACH, A FUND AND COLLECTIVELY, THE FUNDS )

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 16, 2016

To the Holders of Variable Rate Demand Preferred Shares:

Notice is hereby given that the Annual Meeting of Shareholders (the Annual Meeting ) of Nuveen AMT-Free Municipal Income Fund ( AMT-Free Income or the Acquiring Fund ), Nuveen Municipal Market Opportunity Fund, Inc. ( Market Opportunity ), and Nuveen Premium Income Municipal Fund 2, Inc. ( Premium Income 2 ) will be held at the offices of Nuveen Investments, Inc., 333 West Wacker Drive, Chicago, Illinois 60606, on Thursday, June 16, 2016, at 2:00 p.m. Central time. Nuveen Performance Plus Municipal Fund, Inc. ( Premium Plus ), Market Opportunity and Premium Income 2 are collectively referred to herein as the Target Funds and each, a Target Fund ).

The Annual Meeting will be held for the following purposes:

1. Election of Board Members.
  - (a) *For AMT-Free Income:*
    - (i) Three (3) Class I board members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board members Stockdale, Stone and Wolff are nominees for election by all shareholders.
    - (ii) Two (2) board members are to be elected by holders of preferred shares only, voting separately. Board members Hunter and Schneider are nominees for election by preferred shareholders.
  - (b) *For each Target Fund:*
    - (i) Eight (8) board members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board members Adams, Evans, Kundert, Nelson, Stockdale, Stone, Toth and Wolff are nominees for election by all shareholders.
    - (ii) Two (2) board members are to be elected by holders of preferred shares only, voting separately. Board members Hunter and Schneider are nominees for election by preferred shareholders.
2. Agreement and Plan of Reorganization. The shareholders of each Fund voting as set forth below for an Agreement and Plan of Reorganization pursuant to which each Target Fund would: (i) transfer substantially all of its assets to the Acquiring Fund in



exchange solely for newly issued common shares and preferred shares of the Acquiring Fund, and the Acquiring Fund's assumption of substantially all of the liabilities of the Target Fund; (ii) distribute such newly issued shares of the Acquiring Fund to the common shareholders and preferred shareholders of the Target Fund (with cash being distributed in lieu of fractional common shares); and (iii) liquidate, dissolve and terminate in accordance with applicable law.

(a) *For AMT-Free Income:*

The preferred shareholders voting separately to approve the Agreement and Plan of Reorganization.

(b) *For each Target Fund:*

(i) The common and preferred shareholders voting together as a single class to approve the Agreement and Plan of Reorganization.

(ii) The preferred shareholders voting separately to approve the Agreement and Plan of Reorganization.

3. Approval of Issuance of Additional Common Shares by the Acquiring Fund.

*For AMT-Free Income:*

(a) The common and preferred shareholders voting together as a single class to approve the issuance of additional common shares in connection with each reorganization pursuant to the Agreement and Plan of Reorganization.

(b) The common shareholders voting separately to approve the issuance of additional common shares in connection with each reorganization pursuant to the Agreement and Plan of Reorganization.

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

Only shareholders of record of the Acquiring Fund as of the close of business on March 18, 2016 and shareholders of record of the Target Funds as of the close of business on April 18, 2016 are entitled to notice of and to vote at the Annual Meeting and any and all adjournments or postponements thereof.

**All shareholders are cordially invited to attend the Annual Meeting. In order to avoid delay and additional expense for the Funds and to assure that your shares are represented, please vote as promptly as possible, regardless of whether or not you plan to attend the Annual Meeting. You may vote by mail, by telephone or over the Internet. To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States. To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide. To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.**

If you intend to attend the Annual Meeting in person and you are a record holder of a Fund's shares, in order to gain admission you must show photographic identification, such as your driver's license. If you intend to attend the Annual Meeting in person and you hold your shares through a bank, broker or other custodian, in order to gain admission you must show photographic identification, such as your driver's license, and satisfactory proof of ownership of shares of a Fund, such as your voting instruction form (or a copy thereof) or broker's statement indicating ownership as of a recent date. If you hold your shares in a brokerage account or through a bank or other nominee, you will not be able to vote in person at the Annual Meeting unless you have previously requested and obtained a legal proxy from your broker, bank or other nominee and present it at the Annual Meeting.

Kevin J. McCarthy

*Vice President and Secretary*

The Nuveen Funds

**NUVEEN FUNDS**

**333 WEST WACKER DRIVE**

**CHICAGO, ILLINOIS 60606**

**(800) 257-8787**

**JOINT PROXY STATEMENT**

**FOR HOLDERS OF VARIABLE RATE DEMAND PREFERRED SHARES OF**

**NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)**

**NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO) AND NUVEEN PREMIUM INCOME MUNICIPAL FUND  
2, INC. (NPM)**

**(EACH, A FUND AND COLLECTIVELY, THE FUNDS )**

**MAY 3, 2016**

This Joint Proxy Statement is being furnished to holders of Variable Rate Demand Preferred Shares ( VRDP Shares ) of Nuveen AMT-Free Municipal Income Fund ( AMT-Free Income or the Acquiring Fund ), Nuveen Municipal Market Opportunity Fund, Inc. ( Market Opportunity ) and Nuveen Premium Income Municipal Fund 2, Inc. ( Premium Income 2 ), each a closed-end management investment company, in connection with the solicitation of proxies by each Fund's Board of Directors or Board of Trustees, as applicable (each, a Board or the Board and each director or trustee, a Board Member ), for use at the Annual Meeting of Shareholders of each Fund to be held at the offices of Nuveen Investments, Inc. ( Nuveen or Nuveen Investments ), 333 West Wacker Drive, Chicago, Illinois 60606, on Thursday, June 16, 2016, at 2:00 p.m. Central time, and at any and all adjournments or postponements thereof (each, an Annual Meeting and collectively, the Annual Meetings ), to consider the proposals listed below, as applicable, and discussed in greater detail elsewhere in this Joint Proxy Statement. AMT-Free Income is organized as a Massachusetts business trust and each of Market Opportunity and Premium Income 2 is organized as a Minnesota corporation. The enclosed proxy card and this Joint Proxy Statement are first being sent to shareholders of the Funds on or about May 4, 2016. Shareholders of record of AMT-Free Income as of the close of business on March 18, 2016 and shareholders of record of Market Opportunity and Premium Income 2 as of the close of business on April 18, 2016 are entitled to notice of and to vote at the Annual Meeting and any and all adjournments or postponements thereof.

This Joint Proxy Statement explains concisely what you should know before voting on the proposals described in this Joint Proxy Statement or investing in the Acquiring Fund. Please read it carefully and keep it for future reference.

On the matters coming before each Annual Meeting as to which a choice has been specified by shareholders on the accompanying proxy card, the shares will be voted accordingly where such proxy card is properly executed, timely received and not properly revoked (pursuant to the instructions below). If a proxy is returned and no choice is specified, the shares will be voted FOR the proposal(s). Shareholders of a Fund who execute proxies or provide voting instructions by telephone or by Internet may revoke them at any time before a vote is taken on a proposal by filing with that Fund, as applicable, a written notice of revocation, by delivering a duly executed proxy bearing a later date or by attending the Annual Meeting and voting in person. A prior proxy can also be revoked by voting again through the toll-free number or the Internet address listed in the proxy card. However, merely attending the Annual Meeting will not revoke any previously submitted proxy.

The Board of each of the Acquiring Fund, Market Opportunity and Premium Income 2 has determined that the use of this Joint Proxy Statement for the Annual Meetings is in the best interest of each Fund in light of the similar matters being considered and voted on by shareholders.

In addition to its common shares and VRDP Shares, the Acquiring Fund has one series of Variable Rate MuniFund Term Preferred Shares ( VMTP Shares ) outstanding. Each of Market Opportunity and Premium Income 2 has common shares and one series of VRDP Shares outstanding, and Nuveen Performance Plus Municipal Fund, Inc. ( Performance Plus ) has common shares and one series of VMTP Shares outstanding.

At the Annual Meetings, the common and preferred shareholders of the Acquiring Fund, Market Opportunity and Premium Income 2 will be asked to approve Proposals Nos. 1, 2 and 3, each as described below, which must be approved by the Fund s common and preferred shareholders as follows:

Proposal No. 1.

(all Funds) To elect Board Members:

With respect to AMT-Free Income:

three (3) Class I Board Members are to be elected by a plurality of the Fund s common and preferred shareholders, voting together as a single class; and

two (2) Board Members are to be elected by a plurality of the Fund s preferred shareholders voting separately (but not by the Fund s common shareholders).

With respect to Market Opportunity and Premium Income 2:

eight (8) Board Members are to be elected by a plurality of the Fund s common and preferred shareholders voting together as a single class; and

two (2) Board Members are to be elected by a plurality of the Fund s preferred shareholders voting separately (but not by the Fund s common shareholders).

Proposal No. 2.

(all Funds) To approve the Agreement and Plan of Reorganization:

With respect to AMT-Free Income, Proposal No. 2 must be approved by the Fund s preferred shareholders voting separately (but not by the Fund s common shareholders).

With respect to Market Opportunity and Premium Income 2, Proposal No. 2 must be approved by each Fund s common and preferred shareholders voting together as a single class and by each Fund s preferred shareholders voting separately.

Proposal No. 3.

(AMT-Free Income only) To approve the issuance of additional common shares in connection with each reorganization pursuant to the Agreement and Plan of Reorganization:

Proposal No. 3 must be approved by AMT-Free Income s common and preferred shareholders voting together as a single class and by AMT-Free Income s common

shareholders voting separately.

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Only holders of VRDP Shares are being solicited to vote on the proposals described above pursuant to this Joint Proxy Statement. The common shareholders of the Funds and holders of VMTP Shares are being solicited to vote on the proposals described above by means of separate proxy statements.

### **Quorum and Voting**

A quorum of shareholders is required to take action at each Annual Meeting. A majority of the shares entitled to vote at each Annual Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Annual Meeting. Votes cast in person or by proxy at each Annual Meeting will be tabulated by the inspectors of election appointed for that Annual Meeting. The inspectors of election will determine whether or not a quorum is present at the Annual Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (1) instructions have not been received from the beneficial owners or persons entitled to vote and (2) the broker or nominee does not have discretionary voting power on a particular matter), if any, as present for purposes of determining a quorum.

Broker-dealer firms holding shares of a Fund in street name for the benefit of their customers and clients will request the instructions of such customers and clients on how to vote their shares before the Annual Meeting. The Funds understand that, under the rules of the New York Stock Exchange (the NYSE), such broker-dealer firms may, for certain routine matters, grant discretionary authority to the proxies designated by each Board to vote without instructions from their customers and clients if no instructions have been received prior to the date specified in the broker-dealer firm's request for voting instructions. Proposal No. 1 is a routine matter, and beneficial owners who do not provide proxy instructions or who do not return a proxy card may have their shares voted by broker-dealer firms in favor of Proposal No. 1.

VRDP Shares held in street name as to which voting instructions have not been received from the beneficial owners or persons otherwise entitled to vote as of one business day before the Annual Meeting, or, if adjourned or postponed, one business day before the day to which the Annual Meeting is adjourned or postponed, and that would otherwise be treated as broker non-votes may, pursuant to NYSE Rule 452, be voted by the broker on the proposal in the same proportion as the votes cast by all holders of VRDP Shares who have voted on the proposal. Rule 452 permits proportionate voting of a Fund's VRDP Shares with respect to a particular item if, among other things, (1) a minimum of 30% of that Fund's outstanding VRDP Shares has been voted by the holders of such shares with respect to such item, (2) less than 10% of that Fund's outstanding VRDP Shares has been voted by the holders of such shares against such item and (3) for any proposal as to which holders of common shares and preferred shares vote as a single class, holders of common shares approve the proposal. For the purpose of meeting the 30% test, abstentions will be treated as shares voted, and for the purpose of meeting the 10% test, abstentions will not be treated as shares voted against the item.

Broker-dealers who are not members of the NYSE may be subject to other rules, which may or may not permit them to vote your shares without instruction. We urge you to provide instructions to your broker or nominee so that your votes may be counted.

Those persons who were shareholders of record of the Acquiring Fund as of the close of business on March 18, 2016 and those persons who were shareholders of record of Performance Plus,

Market Opportunity and Premium Income 2 as of the close of business on April 18, 2016 will be entitled to one vote for each share held and, with respect to holders of common shares, a proportionate fractional vote for each fractional common share held.

As of March 18, 2016 for the Acquiring Fund, and as of April 18, 2016 for each of Performance Plus, Market Opportunity and Premium Income 2, the shares of the Funds issued and outstanding are as follows:

<b>Fund (Ticker Symbol)</b>	<b>Common Shares<sup>(1)</sup></b>	<b>VMTP Shares<sup>(1)</sup></b>	<b>VRDP Shares<sup>(1)</sup></b>
Acquiring Fund (NEA)	78,883,061	1,510 <sup>(2)</sup>	3,499
Performance Plus (NPP)	60,025,455	5,350	
Market Opportunity (NMO)	45,874,035		3,509
Premium Income 2 (NPM)	70,692,851		4,895

- (1) The common shares of the Acquiring Fund, Performance Plus, Market Opportunity and Premium Income 2 are listed on the NYSE. Upon the closing of the Reorganizations, it is expected that the common shares of the Acquiring Fund will continue to be listed on the NYSE. Neither the VMTP Shares of the Acquiring Fund or Performance Plus nor the VRDP Shares of the Acquiring Fund, Market Opportunity or Premium Income 2 are listed on any exchange.
- (2) The outstanding VMTP Shares of the Acquiring Fund have a liquidity account initial date of June 30, 2016 and a term redemption date of December 30, 2016. It is expected that that Acquiring Fund's VMTP Shares will be refinanced on or prior to the liquidity account initial date with the proceeds of the issuance of one or more new series of VMTP Shares and/or other preferred shares of the Acquiring Fund with an aggregate liquidation preference at least equal to the aggregate liquidation preference of the Acquiring Fund's outstanding VMTP Shares. The refinancing of the Acquiring Fund's outstanding VMTP Shares may take place prior to the closing of the Reorganizations.

#### **The Reorganizations**

The proposed reorganizations are part of a broad initiative to restructure the product offerings of Nuveen's leveraged national municipal closed-end funds by creating fewer funds with greater scale and more clearly differentiated and competitive investment mandates. Upon the closing of the Reorganizations, the Acquiring Fund's name will be changed to Nuveen Enhanced AMT-Free Quality Municipal Income Fund.

The terms of the reorganization of each of Performance Plus, Market Opportunity and Premium Income 2 into the Acquiring Fund are set forth in the Agreement and Plan of Reorganization by and among the Acquiring Fund and each of Performance Plus, Market Opportunity and Premium Income 2 (the Agreement) (Performance Plus, together with Market Opportunity and Premium Income 2 are collectively referred to herein as the Target Funds and each, a Target Fund). The Agreement provides for: (1) the Acquiring Fund's acquisition of substantially all of the assets of each Target Fund in exchange for newly issued common shares of the Acquiring Fund, par value \$0.01 per share, and newly issued VMTP Shares of the Acquiring Fund, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, or newly issued VRDP Shares of the Acquiring Fund, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, as applicable, and the Acquiring Fund's assumption of substantially all of the liabilities of each Target Fund; and (2) the distribution of the newly issued Acquiring Fund common shares and Acquiring Fund preferred shares received by each Target Fund to its common and preferred shareholders, respectively, as part of the liquidation, dissolution and termination of each Target Fund in accordance with applicable law

(each, a Reorganization and together, the Reorganizations ). Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VMTP Shares or VRDP Shares, as applicable, having substantially identical terms (with respect to VMTP Shares) or substantially similar terms (with respect to VRDP Shares) as the outstanding preferred shares of the Target Fund held by such preferred shareholders immediately prior to the closing of the Reorganizations. Differences, if any, between the terms of the statements governing the new Acquiring Fund VRDP Shares and the terms of the statements governing the Target Fund VRDP Shares exchanged therefor are intended to harmonize inconsistencies among the various statements. The aggregate liquidation preference of the Acquiring Fund preferred shares received in connection with each Reorganization will equal the aggregate liquidation preference of the corresponding Target Fund preferred shares held immediately prior to the closing of the Reorganization. The Agreement may be amended by the Funds, as specifically authorized by each Fund's Board, provided that following receipt of shareholder approval of the Agreement at the Annual Meeting, no such amendment may change the provisions for determining the number of Acquiring Fund shares to be issued to Target Fund shareholders to the detriment of such shareholders without their further approval.

Each new series of Acquiring Fund VRDP Shares will have the same variable dividend rate terms, mandatory tender terms, liquidity provider purchase obligation and liquidation preference as the series of Target Fund VRDP Shares for which it will be exchanged. The optional tender for remarketing right of each new series of Acquiring Fund VRDP Shares will be the same as the right of the corresponding series of Target Fund VRDP Share as of the closing of the Reorganizations. However, there are certain differences between the Acquiring Fund VRDP Shares being issued in the Reorganizations and the Target Fund VRDP Shares being exchanged therefor. The changes are described in detail in this Joint Proxy Statement. A vote by a holder of Target Fund VRDP Shares for the applicable Reorganization is effectively a vote in favor of those changes.

The preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations will have equal priority with each other and with the Acquiring Fund's other outstanding preferred shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. In addition, the preferred shares of the Acquiring Fund, including the preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations, will be senior in priority to the Acquiring Fund's common shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The Acquiring Fund will continue to operate after the Reorganizations as a registered closed-end management investment company, with the investment objectives and policies described in this Joint Proxy Statement.

With respect to each Target Fund, the Reorganization is required to be approved by the affirmative vote of the holders of a majority of each Target Fund's outstanding common and preferred shares, voting together as a single class, and by the affirmative vote of a majority of each Target Fund's outstanding preferred shares, voting separately. The affirmative vote of a majority of the common and preferred shareholders of the Acquiring Fund, voting together as a single class, and the affirmative vote of a majority of the common shareholders of the Acquiring Fund, voting separately, are required to approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganizations. In addition, the Reorganizations are required to be approved by the affirmative vote of a majority of the Acquiring Fund's outstanding preferred shares, voting separately.

The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. The closing of each Reorganization is also subject to the satisfaction or waiver of certain closing

conditions, which include customary closing conditions. In order for the Reorganizations to occur, all requisite shareholder approvals must be obtained at the Annual Meetings, and certain other consents, confirmations and/or waivers must also be obtained from various third parties, including the holders of the outstanding VMTP Shares of the Acquiring Fund and Performance Plus under the purchase agreements relating to such VMTP Shares and liquidity providers with respect to the outstanding VRDP Shares of the Acquiring Fund, Market Opportunity and Premium Income 2. Because the closing of the Reorganizations is contingent upon each of the Target Funds and the Acquiring Fund obtaining such shareholder approvals and satisfying (or obtaining the waiver of) other closing conditions, it is possible that the Reorganizations will not occur, even if shareholders of your Fund entitled to vote on your Fund's Reorganization proposal(s) approve such proposal(s) and your Fund satisfies all of its closing conditions, if one or more of the other Funds does not obtain its requisite shareholder approvals or satisfy (or obtain the waiver of) its closing conditions. If the requisite shareholder approvals are not obtained, each Fund's Board may take such actions as it deems in the best interests of its Fund.

#### **Incorporation by Reference and Additional Information**

The following documents have been filed with the SEC and are incorporated into this Joint Proxy Statement by reference:

- (1) the audited financial statements and related independent registered public accounting firm's report for the Acquiring Fund and the financial highlights for the Acquiring Fund contained in the Fund's Annual Report for the fiscal year ended October 31, 2015 (File No. 811-21213); and
- (2) the audited financial statements and related independent registered public accounting firm's report for each of Performance Plus, Market Opportunity and Premium Income 2 and the financial highlights for such Target Fund contained in each Fund's Annual Report for the fiscal year ended October 31, 2015 (File Nos. 811-05809, 811-06040 and 811-06621, respectively).

No other parts of the Funds' Annual or Semi-Annual Reports are incorporated by reference herein.

Copies of the foregoing may be obtained without charge by calling (800) 257-8787 or writing the Funds at 333 West Wacker Drive, Chicago, Illinois 60606. In addition, each Fund will furnish, without charge, a copy of its most recent Annual Report or Semi-Annual Report to a shareholder upon request. Any such request should be directed to the Funds by calling (800) 257-8787 or by writing the Funds at 333 West Wacker Drive, Chicago, Illinois 60606.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Investment Company Act of 1940, as amended (the 1940 Act), and in accordance therewith file reports and other information with the SEC. Reports, proxy statements, registration statements and other information filed by the Funds may be inspected without charge and copied (for a duplication fee at prescribed rates) at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549 or at the SEC's New York Regional Office (Brookfield Place, 200 Vesey Street, Suite 400, New York, New York 10281) or Chicago Regional Office (175 West Jackson Boulevard, Suite 900, Chicago, Illinois 60604). You may call the SEC at (202) 551-8090 for information about the operation of the public reference room. You may obtain copies of this

information, with payment of a duplication fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549. You may also access reports and other information about the Funds on the EDGAR database on the SEC's Internet site at <http://www.sec.gov>. Reports, proxy statements and other information concerning the Funds also can be inspected at the offices of the NYSE, 11 Wall Street, New York, New York 10005.

**JOINT PROXY STATEMENT**

**MAY 3, 2016**

**NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)**

**NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO) AND NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (NPM)**

**(EACH, A FUND AND COLLECTIVELY, THE FUNDS )**

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**PROPOSAL NO. 1 THE ELECTION OF BOARD MEMBERS**

**(PREFERRED SHAREHOLDERS OF EACH FUND)**

**AMT-Free Income:**

Pursuant to the organizational documents of AMT-Free Income (the Massachusetts Fund), the Board is divided into three classes (Class I, Class II and Class III), to be elected by the holders of the outstanding common shares and any outstanding preferred shares, voting together as a single class, to serve until the third succeeding annual meeting of shareholders subsequent to their election or thereafter, in each case until their successors have been duly elected and qualified. Under normal circumstances, holders of preferred shares, voting separately, are entitled to elect two (2) Board Members. The Board Members elected by holders of preferred shares will be elected to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified.

- a. Three (3) Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board Members Stockdale, Stone and Wolff have been designated as Class I Board Members and are nominees for election at the Annual Meeting to serve for a term expiring at the 2019 annual meeting of shareholders or until their successors have been duly elected and qualified. Board Members Adams, Evans, Kundert, Nelson, Schreier and Toth are current and continuing Board Members. Board Members Adams, Kundert, Nelson and Toth have been designated as Class II Board Members to serve for a term expiring at the 2017 annual meeting of shareholders or until their successors have been duly elected and qualified. Board Members Evans and Schreier have been designated as Class III Board Members to serve for a term expiring at the 2018 annual meeting of shareholders or until their successors have been duly elected and qualified.
- b. Two (2) Board Members are to be elected by holders of preferred shares only, voting separately. Board Members Hunter and Schneider are nominees for election by holders of preferred shares to serve for a term expiring at the next annual meeting of shareholders or until their successors have been duly elected and qualified.

**Market Opportunity and Premium Income 2:**

At the Annual Meeting of Market Opportunity and Premium Income 2 (the Minnesota Funds), Board Members are to be elected to serve until the next annual meeting of shareholders or until their successors have been duly elected and qualified. Under the terms of the Minnesota Funds organizational documents, under normal circumstances, holders of preferred shares, voting separately, are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class.

- a. Eight (8) Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class. Board Members Adams, Evans, Kundert, Nelson, Stockdale, Stone, Toth and Wolff are nominees for election by all shareholders.
- b. Two (2) Board Members are to be elected by holders of preferred shares only, voting separately. Board Members Hunter and Schneider are nominees for election by holders of preferred shares.



It is the intention of the persons named in the enclosed proxy to vote the shares represented thereby for the election of the nominees listed in the table below unless the proxy is marked otherwise. Each of the nominees has agreed to serve as a Board Member of Market Opportunity and Premium Income 2 if elected. However, should any nominee become unable or unwilling to accept nomination for election, the proxies will be voted for substitute nominees, if any, designated by each Minnesota Fund's then-present Board.

For the Massachusetts Fund, Class I Board Members Stockdale and Stone, nominees for election by holders of common and preferred shares, were last elected at the annual meeting of shareholders held on August 7, 2013. Effective February 15, 2016, Board Member Wolff, also a nominee for election by holders of common and preferred shares, was appointed as a Board Member and designated as a Class I Board Member with respect to the Massachusetts Fund. Class II Board Members Adams, Kundert, Nelson and Toth were last elected at the Massachusetts Fund's annual meeting of shareholders held on August 5, 2014. Class III Board Members Evans and Schreier were last elected at the Massachusetts Fund's annual meeting of shareholders held on August 5, 2015. Board Members Hunter and Schneider were last elected by holders of preferred shares at the annual meeting of shareholders held on August 5, 2015.

For the Minnesota Funds, each Board Member was last elected to the Fund's Board at the annual meeting of shareholders held on August 5, 2015, with the exception of Board Member Wolff, who was appointed as a Board Member of the Minnesota Funds effective February 15, 2016.

Other than Messrs. Adams and Schreier, each of the Board Members and Board Member nominees is not an interested person, as defined in the 1940 Act, of the Funds or of Nuveen Fund Advisors, LLC (Nuveen Fund Advisors or the Adviser), the investment adviser to each Fund, and has never been an employee or director of Nuveen Investments, the Adviser's parent company, or any affiliate. Accordingly, such Board Members are deemed Independent Board Members.

For each Fund, the affirmative vote of a plurality of the shares present and entitled to vote at the Annual Meeting will be required to elect each Board Member of that Fund. For purposes of determining the approval of the proposal to elect nominees for each Fund, abstentions and broker non-votes will have no effect on the election of Board Members.

**The Board of each Fund unanimously recommends that shareholders vote FOR the election of each Board Member identified in the table below as having an annual term or designated as a Class I Board Member, as applicable.**

**Board Nominees/Board Members**

<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with Fund</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past Five Years</b>	<b>Number of Portfolios in Fund Complex Overseen by Board Member</b>	<b>Other Directorships Held by Board Member During the Past Five Years</b>
<b>Board Members who are not interested persons of the Funds</b>					
William J. Schneider <sup>(2)</sup> c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1944	Chairman of the Board, Board Member	Term: Annual  Length of Service: Since 1996, Chairman of the Board Since July 1, 2013	Chairman of Miller-Valentine Partners Ltd., a real estate investment company; Board Member of Med-America Health System and of WDPR Public Radio Station; formerly, Senior Partner and Chief Operating Officer (retired, 2004) of Miller-Valentine Group; formerly, Director, Dayton Development Coalition; formerly, Board Member, Business Advisory Council, Cleveland Federal Reserve Bank and University of Dayton Business School Advisory Council.	191	None
Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1948	Board Member	Term: Annual or Class III Board Member until 2018 Annual Meeting  Length of Service: Since 1999	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director, The Gazette Company; Life Trustee of Coe College and Iowa College Foundation; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm; formerly, Member and President Pro Tem of the Board of Regents for the State of Iowa University System.	191	Director and Chairman, United Fire Group, a publicly held company; formerly, Director, Alliant Energy.

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1948	Board Member	Term: Annual  Length of Service: Since 2004	Dean Emeritus (since 2012), formerly, Dean (2006-2012), Tippie College of Business, University of Iowa; Director (since 2005) and past President (2010-2014), Beta Gamma Sigma, Inc., The International Business Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Director (1997-2007), Credit Research Center at Georgetown University; formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003).	191	Director (since 2004) of Xerox Corporation.

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
David J. Kundert c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1942	Board Member	Term: Annual or Class II Board Member until 2017 Annual Meeting  Length of Service: Since 2005	Formerly, Director, Northwestern Mutual Wealth Management Company (2006-2013); retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Bank One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; Member of the Wisconsin Bar Association; Member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; Member of the Board of Directors (Milwaukee), College Possible; Member of the Board of Trustees, Milwaukee Repertory Theater.	191	None

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
<p>John K. Nelson                      c/o Nuveen Investments, Inc.                      333 West Wacker Drive                      Chicago, Illinois 60606                      1962</p>	<p>Board Member</p>	<p>Term:                      Annual or Class II Board Member until 2017 Annual Meeting</p>	<p>Member of Board of Directors of Core12 LLC (since 2008), a private firm which develops branding, marketing and communications strategies for clients; Director of The Curran Center for Catholic American Studies (since 2009) and The President's Council, Fordham University (since 2010); formerly, senior external advisor to the financial services practice of Deloitte Consulting LLP (2012-2014); formerly, Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division (2007-2008); prior senior positions held at ABN AMRO include Corporate Executive Vice President and Head of Global Markets - the Americas (2006-2007), CEO of Wholesale Banking - North America and Global Head of Foreign Exchange and Futures Markets (2001- 2006), and Regional Commercial Treasurer and Senior Vice President Trading - North America (1996-2001); formerly, Trustee at St. Edmund Preparatory School in New York City; formerly, Chair of the Board of Trustees of Marian University (2011-2014).</p>	<p>191</p>	<p>None</p>

Length of Service: Since 2013

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1947	Board Member	Term: Annual or Class I Board Member until 2016 Annual Meeting	Board Member of the U.S. Endowment for Forestry and Communities (since 2013); Board Member of the Land Trust Alliance (since 2013); formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation; prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	191	None
Carole E. Stone c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1947	Board Member	Length of Service: Since 1997 Term: Annual or Class I Board Member until 2016 Annual Meeting	Director, Chicago Board Options Exchange, Inc. (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010).	191	Director, CBOE Holdings, Inc. (since 2010).
		Length of Service: Since 2007			

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
Terence J. Toth <sup>(3)</sup> c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1959	Board Member	Term: Annual or Class II Board Member until 2017 Annual Meeting	Managing Partner, Promus Capital (since 2008); Director, Fulcrum IT Service LLC (since 2010), Quality Control Corporation (since 2012) and LogicMark LLC (since 2012); formerly, Director, Legal & General Investment Management America, Inc. (2008-2013); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); Member, Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012) and Chair of its investment committee; formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).	191	None

Length of Service: Since 2008

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
<p>Margaret L. Wolff</p> <p>c/o Nuveen Investments, Inc.</p> <p>333 West Wacker Drive</p> <p>Chicago, Illinois 60606</p> <p>1955</p>	<p>Board Member</p>	<p>Term:</p> <p>Annual or Class I Board Member until 2016 Annual Meeting</p> <p>Length of Service: Since 2016</p>	<p>Formerly, Of Counsel, (2005-2014) Skadden, Arps, Slate, Meagher &amp; Flom LLP (Mergers &amp; Acquisitions Group); Member of the Board of Trustees of New York-Presbyterian Hospital (since 2005); Member (since 2004) and Chair (since 2015) of the Board of Trustees of The John A. Hartford Foundation (a philanthropy dedicated to improving the care of older adults); formerly, Member (2005-2015) and Vice Chair (2011-2015) of the Board of Trustees of Mt. Holyoke College.</p>	<p>191</p>	<p>Member of the Board of Directors (since 2013) of Travelers Insurance Company of Canada and The Dominion of Canada General Insurance Company (each, a part of Travelers Canada, the Canadian operation of The Travelers Companies, Inc.).</p>



Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
<p>Board Members who are interested persons of the Funds</p> <p>William Adams IV<sup>(4)</sup>                      c/o Nuveen Investments, Inc.                      333 West Wacker Drive                      Chicago, Illinois 60606                      1955</p>	<p>Board Member</p>	<p>Term: Annual or Class II Board Member until 2017 Annual Meeting</p> <p>Length of Service: Since 2013</p>	<p>Co-Chief Executive Officer and Co-President (since March 2016), formerly, Senior Executive Vice President, Global Structured Products of Nuveen Investments, Inc. (2010-2016); Co-Chief Executive Officer (since 2016), formerly, Senior Executive Vice President of Nuveen Securities, LLC; Co-President of Nuveen Fund Advisors, LLC (since 2011); President (since 2011), formerly, Managing Director (2010-2011), of Nuveen Commodities Asset Management, LLC; Board Member of the Chicago Symphony Orchestra and of Gilda's Club Chicago.</p>	<p>191</p>	<p>None</p>

Name, Address and Year of Birth	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During Past Five Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
Thomas S. Schreier, Jr. <sup>(4),(5)</sup> c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, Illinois 60606 1962	Board Member	Term: Annual or Class III Board Member until 2018 Annual Meeting  Length of Service: Since 2013	Vice Chairman, Wealth Management of Nuveen Investments, Inc. (since 2011); Co-President of Nuveen Fund Advisors, LLC; Chairman of Nuveen Asset Management, LLC (since 2011); formerly, Co-Chief Executive Officer of Nuveen Securities, LLC (2011-2016); Director and Vice Chairman of Allina Health and a member of its Finance, Audit and Investment Committees; Director of the Minneapolis Institute of Art; Member of the Board of Governors and Chairman's Council of the Investment Company Institute; formerly, Chief Executive Officer (2000-2010) and Chief Investment Officer (2007-2010) of FAF Advisors, Inc.; formerly, President of First American Funds (2001-2010).	191	None

- (1) Length of Time Served indicates the year in which the individual became a Board Member of a fund in the Nuveen Fund complex.
- (2) Mr. Schneider is one of several owners and managing members in two limited liability companies and a general partner and one member of the governing body of a general partnership, each engaged in real estate ownership activities. In connection with their ordinary course of investment activities, court appointed receivers have been named for certain individual properties owned by such entities. The individual properties for which a receiver has been appointed represent an immaterial portion of the portfolio assets owned by these entities.
- (3) Mr. Toth serves as a director on the Board of Directors of the Mather Foundation (the Foundation) and is a member of its investment committee. The Foundation is the parent of the Mather LifeWays organization, a non-profit charitable organization. Prior to Mr. Toth joining the Board of the Foundation, the Foundation selected Gresham Investment Management (Gresham), an affiliate of Nuveen Fund Advisors, to manage a portion of the Foundation's investment portfolio, and pursuant to this selection, the Foundation has invested that portion of its investment portfolio in a private commodity pool managed by Gresham.
- (4) Each of Messrs. Adams and Schreier is an interested person, as defined in the 1940 Act, by reason of his respective position(s) with Nuveen Investments, Inc. and/or certain of its subsidiaries.
- (5) Mr. Schreier has announced his intention to retire from the Board as of May 31, 2016. He will continue to serve on the Board until his retirement on May 31, 2016.

In order to create an appropriate identity of interests between Board Members and shareholders, the boards of directors/trustees of the Nuveen funds have adopted a governance principle pursuant to which each Board Member is expected to invest, either directly or on a deferred basis, at least the equivalent of one year of compensation in the funds in the Nuveen complex.

### Share Ownership

The following table sets forth for each Board Member the dollar range of equity securities beneficially owned in the Acquiring Fund, Market Opportunity and Premium Income 2 and in all Nuveen funds overseen by the Board Member as of December 31, 2015:

#### Dollar Range of Equity Securities

Name of Board Member	AMT-Free Income	Market Opportunity	Premium Income 2	Family of Investment Companies <sup>(1)</sup>
William Adams IV	None	None	None	over \$100,000
Jack B. Evans	None	None	None	over \$100,000
William C. Hunter	None	None	None	over \$100,000
David J. Kundert	None	None	None	over \$100,000
John K. Nelson	None	None	None	over \$100,000
William J. Schneider	None	None	None	over \$100,000
Thomas S. Schreier, Jr.	None	None	None	over \$100,000
Judith M. Stockdale	None	\$10,001-\$50,000	\$10,001-\$50,000	over \$100,000
Carole E. Stone	None	None	None	over \$100,000
Terence J. Toth	None	None	None	over \$100,000
Margaret L. Wolff <sup>(2)</sup>	None	None	None	None

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

(2) Ms. Wolff was appointed to the Board effective February 15, 2016.

No Independent Board Member or his or her immediate family member owns beneficially or of record any security of Nuveen Fund Advisors, Nuveen Asset Management, LLC, the Funds' sub-adviser ( Nuveen Asset Management or the Sub-Adviser ), Nuveen Investments or any person (other than a registered investment company) directly or indirectly controlling, controlled by or under common control with Nuveen Fund Advisors, Nuveen Asset Management or Nuveen Investments.

As of December 31, 2015, Board Members and executive officers as a group beneficially owned approximately 1,700,000 shares of all funds managed by the Adviser (including shares held by the Board Members through the deferred compensation plan for Independent Board Members and by executive officers in Nuveen's 401(k)/profit sharing plan), and each Board Member's individual beneficial shareholdings of each fund constituted less than 1% of the outstanding shares of such fund. As of December 31, 2015, the Board Members and officers of each fund as a group beneficially owned less than 1% of the total outstanding common shares and less than 1% of the total outstanding preferred shares of such Fund. Information regarding beneficial owners of more than 5% of any class of shares of any fund is provided under General Information Shareholders of the Acquiring Fund and the Target Funds.

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**Compensation**

Effective January 1, 2016, Independent Board Members receive a \$170,000 annual retainer plus: (1) a fee of \$5,500 per day for attendance in person or by telephone at regularly scheduled meetings of the Board; (2) a fee of \$3,000 per meeting for attendance in person or by telephone at special, non-regularly scheduled meetings of the Board where in-person attendance is required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required; (3) a fee of \$2,500 per meeting for attendance in person or by telephone at Audit Committee meetings where in-person attendance is required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required; (4) a fee of \$2,500 per meeting for attendance in person or by telephone at Compliance Committee meetings where in-person attendance is required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required; (5) a fee of \$1,000 per meeting for attendance in person or by telephone at Dividend Committee meetings; (6) a fee of \$500 per meeting for attendance in person or by telephone at all other committee meetings (\$1,000 for shareholder meetings) where in-person attendance is required and \$250 per meeting for attendance by telephone or in person at such committee meetings (excluding shareholder meetings) where in-person attendance is not required, and \$100 per meeting when the Executive Committee acts as pricing committee for IPOs, plus, in each case, expenses incurred in attending such meetings, provided that no fees are received for meetings held on days on which regularly scheduled Board meetings are held; and (7) a fee of \$2,500 per meeting for attendance in person or by telephone at Closed-End Funds Committee meetings where in-person attendance is required and \$2,000 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required; provided that no fees are received for meetings held on days on which regularly scheduled Board meetings are held. In addition to the payments described above, the Independent Chairman of the Board receives \$80,000, and the chairpersons of the Audit Committee, the Dividend Committee, the Compliance Committee, the Nominating and Governance Committee and the Closed-End Funds Committee receive \$12,500 each as additional retainers. Independent Board Members also receive a fee of \$3,000 per day for site visits to entities that provide services to the Nuveen funds on days on which no Board meeting is held. When ad hoc committees are organized, the Nominating and Governance Committee will at the time of formation determine compensation to be paid to the members of such committees; however, in general, such fees will be \$1,000 per meeting for attendance in person or by telephone at ad hoc committee meetings where in-person attendance is required and \$500 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required. The annual retainer, fees and expenses are allocated among the Nuveen funds on the basis of relative net assets, although management may, in its discretion, establish a minimum amount to be allocated to each fund.

The Funds do not have retirement or pension plans. Certain Nuveen funds (the Participating Funds ) participate in a deferred compensation plan (the Deferred Compensation Plan ) that permits an Independent Board Member to elect to defer receipt of all or a portion of his or her compensation as an Independent Board Member. The deferred compensation of a participating Independent Board Member is credited to a book reserve account of the Participating Fund when the compensation would otherwise have been paid to such Independent Board Member. The value of the Independent Board Member's deferral account at any time is equal to the value that the account would have had if contributions to the account had been invested and reinvested in shares of one or more of the eligible Nuveen funds. At the time for commencing distributions from an Independent Board Member's deferral account, the Independent Board Member may elect to receive distributions in a lump sum or over a period of five years. The Participating Fund will not be liable for any other fund's obligations to make distributions under the Deferred Compensation Plan.

The Funds have no employees. The officers of the Funds and each Board Member of the Funds who is not an Independent Board Member serve without any compensation from the Funds.

The table below shows, for each Independent Board Member, the aggregate compensation paid by each Fund to the Board Member for its last fiscal year:

**Aggregate Compensation from the Funds<sup>(1)(2)</sup>**

Fund	Jack B. Evans	William C. Hunter	David J. Kundert	John K. Nelson	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Virginia L. Stringer <sup>(3)</sup>	Terence J. Toth
AMT-Free Income	\$ 4,447	\$ 4,082	\$ 4,132	\$ 4,202	\$ 4,686	\$ 3,892	\$ 4,389	\$ 3,881	\$ 4,520
Market Opportunity	2,774	2,546	2,578	2,621	2,924	2,428	2,737	2,421	2,819
Premium Income 2	4,194	3,850	3,897	3,963	4,419	3,671	4,139	3,660	4,263
<b>Total Compensation from Nuveen Funds Paid to Board Members</b>	\$ 326,984	\$ 302,125	\$ 298,482	\$ 303,750	\$ 337,768	\$ 289,213	\$ 316,479	\$ 278,625	\$ 331,946

(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 Participating Funds. Total deferred fees for the Funds (including the return from the assumed investment in the Participating Funds) payable are:

Fund	Jack B. Evans	William C. Hunter	David J. Kundert	John K. Nelson	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Virginia L. Stringer	Terence J. Toth
AMT-Free Income	\$ 447	\$	\$ 4,132	\$	\$ 4,686	\$ 1,012	\$ 2,197	\$	\$ 1,927
Market Opportunity	279		2,578		2,924	631	1,371		1,202
Premium Income 2	421		3,897		4,419	954	2,072		1,817

(2) Ms. Wolff was appointed to the Board effective February 15, 2016 and did not sit on the Board during the fiscal year ended October 31, 2015.

(3) Ms. Stringer retired from the Board as of December 31, 2015.

**Board Leadership Structure and Risk Oversight**

The Board of each Fund 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 board members 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 Nuveen 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 that 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 William J. Schneider as the Independent Chairman of the Board. Specific responsibilities of the Chairman include: (1) presiding at all meetings of the Board and of the shareholders; (2) seeing that all orders and resolutions of the Board Members are carried into effect; and (3) 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 six standing committees: the Executive Committee; the Dividend Committee; the Audit Committee; the Compliance, Risk Management and Regulatory Oversight Committee; the Nominating and Governance Committee; and the Closed-End Funds 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.

*Executive Committee.* The Executive Committee, which meets between regular meetings of the Board as necessary, is authorized to exercise all of the powers of the Board. As of February 15, 2016, the members of the Executive Committee are William J. Schneider, Chair, William Adams IV and Terence J. Toth. During the fiscal year ended October 31, 2015, the Executive Committee of Performance Plus met one time and the Executive Committee of AMT-Free Income, Market Opportunity and Premium Income 2 did not meet.

*Dividend Committee.* 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. As of February 15, 2016, the members of the Dividend Committee are William C. Hunter, Chair, Judith M. Stockdale and Terence J. Toth. During the fiscal year ended October 31, 2015, the Dividend Committee met three times.

*Closed-End Funds Committee.* The Closed-End Funds Committee is responsible for assisting the Board in the oversight and monitoring of the Nuveen Funds that are registered as closed-end management investment companies (Closed-End Funds). The committee may review and evaluate matters related to the formation and the initial presentation to the Board of any new Closed-End Fund

and may review and evaluate any matters relating to any existing Closed-End Fund. The 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/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx). As of February 15, 2016, the members of the Closed-End Funds Committee are Carole E. Stone, Chair, William Adams IV, Jack B. Evans, John K. Nelson, William J. Schneider and Terence J. Toth. During the fiscal year ended October 31, 2015, the Closed-End Funds Committee met four times.

*Audit Committee.* The Board has an Audit Committee, in accordance with Section 3(a)(58)(A) of the Exchange 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 NYSE or NYSE MKT, 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 of 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 (the "Charter") adopted and approved by the Board, which Charter conforms to the listing standards of the NYSE or NYSE MKT, 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. A copy of the Charter is attached as Appendix B to this Joint Proxy Statement. As of February 15, 2016, the members of the Audit Committee are Jack B. Evans, Chair, David J. Kundert, John K. Nelson, Carole E. Stone and Terence J. Toth, each of whom is an Independent Board Member of the Funds. During the fiscal year ended October 31, 2015, the Audit Committee met four times.

*Compliance, Risk Management and Regulatory Oversight Committee.* 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 under or within 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, a copy of which is available on the Funds' website at [www.nuveen.com/CEF/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx). As of February 15, 2016, the members of the Compliance Committee are John K. Nelson, Chair, William C. Hunter, Judith M. Stockdale and Margaret L. Wolff. During the fiscal year ended October 31, 2015, the Compliance Committee met five times.

*Nominating and Governance Committee.* 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, including the compensation of the Independent Chairman of the Board. 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, Illinois 60606. The Nominating and Governance Committee sets appropriate standards and requirements for nominations for new Board Members and each nominee is evaluated using 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. However, all candidates 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/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx), and is composed entirely of Independent Board Members, who are also independent as defined by NYSE or NYSE MKT listing standards, as applicable. Accordingly, the members of the Nominating and Governance Committee are William J. Schneider, Chair, Jack B. Evans, William C. Hunter, David J. Kundert, John K. Nelson, Judith M. Stockdale, Carole E. Stone, Terence J. Toth and Margaret L. Wolff. During the fiscal year ended October 31, 2015, the Nominating and Governance Committee met six times.

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/Shareholder/FundGovernance.aspx](http://www.nuveen.com/CEF/Shareholder/FundGovernance.aspx).

*Board Diversification and Board Member Qualifications.* In determining that a particular Board Member was qualified to serve on the Board, the Board considers 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 serve in that capacity. References to the experiences, qualifications, attributes and skills of Board Members are pursuant to requirements of the SEC, do not constitute holding out the Board or any Board Member as having any special expertise or experience and will not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

***William Adams IV***

Mr. Adams, an interested Board Member of the Funds, is Co-Chief Executive Officer and Co-President (since March 2016), and was formerly Senior Executive Vice President, Global Structured Products of Nuveen Investments since November 2010. Mr. Adams has also served as Co-President of Nuveen Fund Advisors, LLC since January 2011. Prior to that, he was Executive Vice President, U.S. Structured Products from December 1999 until November 2010 and served as Managing Director of Structured Investments from September 1997 to December 1999 and Vice President and Manager, Corporate Marketing from August 1994 to September 1997. He is Co-Chief Executive Officer (since 2016), formerly, Senior Executive Vice President of Nuveen Securities, LLC. Mr. Adams earned his Bachelor of Arts degree from Yale University and his Masters of Business Administration (MBA) from the University of Chicago's Graduate School of Business. He is an Associate Fellow of Yale's Timothy Dwight College and is currently on the Board of the Chicago Symphony Orchestra and of Gilda's Club Chicago. Mr. Adams joined the Board in 2013.

***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, a Director of Alliant Energy and a Member and President Pro Tem of the Board of Regents for the State of Iowa University System. Mr. Evans is Chairman of the Board of United Fire Group, sits on the Board of The Gazette Company and is a Life Trustee of Coe College. He has a Bachelor of Arts degree from Coe College and an MBA from the University of Iowa. Mr. Evans joined the Board in 1999.

***William C. Hunter***

Mr. Hunter became Dean Emeritus of the Henry B. Tippie College of Business at the University of Iowa on June 30, 2012. He was appointed Dean of the College on July 1, 2006. He was previously Dean and Distinguished Professor of Finance at the University of Connecticut School of Business from 2003 to 2006. 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, SS&C Technologies, Inc. (2005) and past President of the

Financial Management Association International, he has consulted with numerous foreign central banks and official agencies in Western, 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 a Director and past President of Beta Gamma Sigma, Inc., The International Business Honor Society. Mr. Hunter joined the Board in 2003.

***David J. Kundert***

Mr. Kundert retired in 2004 as Chairman of JPMorgan Fleming Asset Management, and 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. Mr. Kundert recently retired as a Director of the Northwestern Mutual Wealth Management Company (2006-2013). 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 is a Regent Emeritus and a Member of the Investment Committee of Luther College. He is also a Member of the Board of Directors (Milwaukee), College Possible and a member of the Board of Trustees, Milwaukee Repertory Theater. He received his Bachelor of Arts degree from Luther College and his Juris Doctor from Valparaiso University. Mr. Kundert joined the Board in 2005.

***John K. Nelson***

Mr. Nelson currently serves on the Board of Directors of Core12 LLC (since 2008), a private firm which develops branding, marketing, and communications strategies for clients. He was formerly a senior external advisor to the financial services practice of Deloitte Consulting LLP. Mr. Nelson has served in several senior executive positions with ABN AMRO Holdings N.V. and its affiliated entities and predecessors, including LaSalle Bank Corporation from 1996 to 2008. From 2007 to 2008, Mr. Nelson was Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division. He was a member of the Foreign Exchange Committee of the Federal Reserve Bank of the United States, and during his tenure with ABN AMRO, served as the bank's representative on various committees of the Bank of Canada, European Central Bank, and the Bank of England. At Fordham University, he currently serves as a director of The Curran Center for Catholic American Studies, and The President's Council. He is also a member of The Economic Club of Chicago and was formerly a member of The Hyde Park Angels and a Trustee at St. Edmund Preparatory School in New York City. He is former chair of the Board of Trustees of Marian University. Mr. Nelson graduated and received his MBA from Fordham University. Mr. Nelson joined the Board in 2013.

***William J. Schneider***

Mr. Schneider, the Board's Independent Chairman, is currently Chairman, formerly Senior Partner and Chief Operating Officer (retired, December 2004) of Miller-Valentine Partners, a real estate investment company. He is an owner in several other Miller-Valentine entities. He is currently a member of the Board of WDPR Public Radio Station and of Med-America Health System. 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 was also a member of the Business Advisory Council for the University of Dayton College of Business. He also served as Chair of the Miami Valley Hospital and as Chair of the Finance Committee of its parent holding company. Mr. Schneider was an independent trustee of the Flagship Funds, a group of municipal open-end funds. 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. Mr. Schneider joined the Board in 1996.

***Thomas S. Schreier, Jr.***

Mr. Schreier, an interested Board Member of the Funds, has been Vice Chairman, Wealth Management of Nuveen Investments since January 2011. Mr. Schreier has also served as Co-President of Nuveen Fund Advisors, LLC since January 2011. Until Nuveen Investments' acquisition of FAF Advisors on January 1, 2011, Mr. Schreier was Chief Executive Officer of FAF Advisors from November 2000, Chief Investment Officer of FAF Advisors from September 2007 and President of First American Funds from February 2001 to December 2010. From 1998 to November 2000, Mr. Schreier served as Senior Managing Director and Head of Equity Research for U.S. Bancorp Piper Jaffray, Inc. He received a Bachelor's degree from the University of Notre Dame and an MBA from Harvard University. He is a Director and Vice Chairman of Allina Health and a member of its Finance, Audit and Investment Committees. He is also a Director of the Minneapolis Institute of Art. Mr. Schreier is a member of the Board of Governors of the Investment Company Institute and is on its Chairman's Council. He has also served as director, chairman of the finance committee, and member of the audit committee for Pinnacle Airlines Corp. Mr. Schreier is former chairman of the Saint Thomas Academy Board of Trustees, a founding investor of Granite Global Ventures, and a member of the Applied Investment Management Advisory Board for the University of Notre Dame. Mr. Schreier joined the Board in 2013.

***Judith M. Stockdale***

Ms. Stockdale retired at the end of 2012 as 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. She is currently a board member of the U.S. Endowment for Forestry and Communities (since 2013) and rejoined the board of the Land Trust Alliance in June 2013. 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 Advisory Council of the National Zoological Park, the Governor's Science Advisory Council (Illinois), and the Nancy Ryerson Ranney Leadership Grants Program. She has served on the Boards of Brushwood Center 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. Ms. Stockdale joined the Board in 1997.

***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 in Business Administration from Skidmore College. Ms. Stone joined the Board in 2006.

***Terence J. Toth***

Mr. Toth is a Managing Partner of Promus Capital (since 2008). From 2008 to 2013, he served as a Director of Legal & General Investment Management America, Inc. 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 Chicago Fellowship, Fulcrum IT Service LLC (since 2010), Quality Control Corporation (since 2012) and LogicMark LLC (since 2012), and is Chairman of the Board of Catalyst Schools of Chicago. He is on the Mather Foundation Board (since 2012) and is Chair of its investment committee. 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. Mr. Toth joined the Board in 2008.

***Margaret L. Wolff***

Ms. Wolff retired from Skadden, Arps, Slate, Meagher & Flom LLP in 2014 after more than 30 years of providing client service in the Mergers & Acquisitions Group. During her legal career, Ms. Wolff devoted significant time to advising boards and senior management on U.S. and international corporate, securities, regulatory and strategic matters, including governance, shareholder, fiduciary, operational and management issues. Since 2013, she has been a Board member of Travelers Insurance Company of Canada and The Dominion of Canada General Insurance Company (each of which is a part of Travelers Canada, the Canadian operation of The Travelers Companies, Inc.). Ms. Wolff has been a trustee of New York-Presbyterian Hospital since 2005 and, since 2004, she has served as a trustee of The John A. Hartford Foundation (a philanthropy dedicated to improving the care of older adults) where she currently is the Chair. From 2005 to 2015, she was a trustee of Mt. Holyoke College and served as Vice Chair of the Board from 2011 to 2015. Ms. Wolff received her Bachelor of Arts from Mt. Holyoke College and her Juris Doctor from Case Western Reserve University School of Law.

***Independent Chairman.*** William J. Schneider currently serves as the Independent Chairman of the Board. Specific responsibilities of the Chairman include: (1) presiding at all meetings of the Board and of the shareholders; (2) seeing that all orders and resolutions of the Board Members are carried into effect; and (3) maintaining records of and, whenever necessary, certifying all proceedings of the Board Members and the shareholders.

***Board Member Terms.*** Pursuant to the organizational documents of AMT-Free Income, the Board is divided into three classes, Class I, Class II and Class III, to be elected by the holders of the outstanding common shares and any outstanding preferred shares, voting together as a single class, to serve until the third succeeding annual meeting subsequent to their election or thereafter, in each case

until their successors have been duly elected and qualified. These provisions could delay for up to two years the replacement of a majority of the Board. Under normal circumstances, holders of preferred shares (including holders of VMTP Shares and VRDP Shares), voting separately as a single class, are entitled to elect two (2) Board Members. The Board Members elected by holders of preferred shares will be elected to serve until the next annual meeting or until their successors have been duly elected and qualified. Holders of preferred shares will be entitled to elect a majority of the Fund's Board Members under certain circumstances. See Certain Provisions in the Declaration of Trust and By-Laws in the Memorandum.

Pursuant to the organizational documents of each of Performance Plus, Market Opportunity and Premium Income 2, Board Members are to be elected to serve until the next annual meeting or until their successors have been duly elected and qualified. Under normal circumstances, holders of preferred shares (including holders of VMTP Shares and VRDP Shares), voting separately as a single class, are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of common shares and preferred shares, voting together as a single class. Holders of preferred shares will be entitled to elect a majority of the Fund's Board Members under certain circumstances.

**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	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During	Number of Portfolios in Fund Complex Served by Officer <sup>(2)</sup>
Year of Birth			Past Five Years <sup>(2)</sup>	
Gifford R. Zimmerman 333 West Wacker Drive  Chicago, Illinois 60606  1956	Chief Administrative Officer	Term: Annual   Length of Service: Since 1988	Managing Director (since 2002) and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; 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); Managing Director and Assistant Secretary of Symphony Asset Management LLC (since 2003) and Nuveen Investments Advisers, LLC (since 2002); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC, Santa Barbara Asset Management, LLC (since 2006) and of Winslow Capital Management, LLC (since 2010); Vice President and Assistant Secretary (since 2013), formerly, Chief Administrative Officer and Chief Compliance Officer (2006-2013) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	192
Cedric H. Antosiewicz 333 West Wacker Drive Chicago, Illinois 60606 1962	Vice President	Term: Annual   Length of Service: Since 2007	Managing Director (since 2004) of Nuveen Securities LLC; Managing Director (since 2014) of Nuveen Fund Advisors, LLC.	84

<b>Name, Address and Year of Birth</b>	<b>Position(s) Held with Fund</b>	<b>Term of Office and Length of Time Served<sup>(1)</sup></b>	<b>Principal Occupation(s) During Past Five Years<sup>(2)</sup></b>	<b>Number of Portfolios in Fund Complex Served by Officer<sup>(2)</sup></b>
Margo L. Cook 333 West Wacker Drive Chicago, Illinois 60606  1964	Vice President	Term: Annual  Length of Service: Since 2009	Co-Chief Executive Officer and Co-President (since March 2016), formerly Senior Executive Vice President of Nuveen Investments, Inc.; Senior Executive Vice President of Nuveen Fund Advisors, LLC (Executive Vice President since 2011); Co-Chief Executive Officer (since 2015), formerly, Executive Vice President (2013-2015), of Nuveen Securities, LLC; formerly, Managing Director Investment Services of Nuveen Commodities Asset Management, LLC (2011-2016); Chartered Financial Analyst.	192
Lorna C. Ferguson 333 West Wacker Drive Chicago, Illinois 60606 1945	Vice President	Term: Annual  Length of Service: Since 1998	Managing Director of Nuveen Investments Holdings, Inc.	192
Stephen D. Foy 333 West Wacker Drive Chicago, Illinois 60606 1954	Vice President and Controller	Term: Annual  Length of Service: Since 1993	Managing Director (since 2014), formerly, Senior Vice President (2013 2014) and Vice President of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Managing Director (since 2016) of Nuveen Securities, LLC; Certified Public Accountant.	192



Name, Address and	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During	Number of Portfolios in Fund Complex Served by Officer <sup>(2)</sup>
Year of Birth			Past Five Years <sup>(2)</sup>	
Sherri A. Hlavacek 333 West Wacker Drive Chicago, Illinois 60606 1962	Vice President and Treasurer	Term: Annual  Length of Service: Since 2015	Executive Vice President (since 2015, formerly, Managing Director) and Controller of Nuveen Fund Advisors, LLC; Managing Director and Controller of Nuveen Commodities Asset Management, LLC; Executive Vice President (since 2015, formerly, Managing Director), Treasurer and Controller of Nuveen Asset Management, LLC; Executive Vice President, Principal Financial Officer (since 2015, formerly, Managing Director), Treasurer and Corporate Controller of Nuveen Investments, Inc.; Executive Vice President (since 2015, formerly, Managing Director), Treasurer and Corporate Controller of Nuveen Investments Advisers, LLC and Nuveen Investments Holdings, Inc.; Executive Vice President, formerly, Managing Director, Chief Financial Officer and Corporate Controller of Nuveen Securities, LLC; Vice President, Controller and Treasurer of NWQ Investment Management Company, LLC; Vice President and Controller of Santa Barbara Asset Management, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC; Certified Public Accountant.	192
Walter M. Kelly 333 West Wacker Drive Chicago, Illinois 60606 1970	Chief Compliance Officer and Vice President	Term: Annual  Length of Service: Since 2003	Senior Vice President (since 2008) of Nuveen Investments Holdings, Inc.	192
David J. Lamb  333 West Wacker Drive Chicago, Illinois 60606 1963	Vice President	Term: Annual  Length of Service: Since 2015	Senior Vice President of Nuveen Investment Holdings, Inc. (since 2006), Vice President prior to 2006.	84

Name, Address and	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During	Number of Portfolios in Fund Complex Served by Officer <sup>(2)</sup>
Year of Birth			Past Five Years <sup>(2)</sup>	
Tina M. Lazar  333 West Wacker Drive Chicago, Illinois 60606 1961	Vice President	Term: Annual	Senior Vice President of Nuveen Investments Holdings, Inc. and Nuveen Securities, LLC.	192
		Length of Service: Since 2002		
Kevin J. McCarthy 333 West Wacker Drive Chicago, Illinois 60606 1966	Vice President and Secretary	Term: Annual	Executive Vice President, Secretary and General Counsel (since March 2016), formerly, Managing Director and Assistant Secretary of Nuveen Investments, Inc.; Executive Vice President (since March 2016), formerly, Managing Director and Assistant Secretary (since 2008) of Nuveen Securities, LLC; Executive Vice President and Secretary (since March 2016), formerly, Managing Director (2008-2016) and Assistant Secretary (2007-2016) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Executive Vice President and Secretary (since March 2016), formerly, Managing Director, Assistant Secretary (2011-2016) and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Execuvite President and Secretary of Nuveen Investments Advisers, LLC; Vice President (since 2007) and Secretary (since 2016) of NWQ Investment Management Company, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, Winslow Capital Management, LLC (since 2010) and Tradewinds Global Investors, LLC (since 2016); Vice President (since 2010) and Secretary (since March 2016), formerly, Assistant Secretary of Nuveen Commodities Asset Management, LLC.	192
		Length of Service: Since 2007		

Name, Address and	Position(s) Held with Fund	Term of Office and Length of Time Served <sup>(1)</sup>	Principal Occupation(s) During	Number of Portfolios in Fund Complex Served by Officer <sup>(2)</sup>
Year of Birth			Past Five Years <sup>(2)</sup>	
Kathleen L. Prudhomme 901 Marquette Avenue Minneapolis, Minnesota 55402	Vice President and Assistant Secretary	Term: Annual	Managing Director and Assistant Secretary of Nuveen Securities, LLC (since 2011); Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).	192
1953		Length of Service: Since 2011		
Joel T. Slager  333 West Wacker Drive Chicago, Illinois 60606 1978	Vice President and Assistant Secretary	Term: Annual	Fund Tax Director for Nuveen Funds (since 2013); previously, Vice President of Morgan Stanley Investment Management, Inc., Assistant Treasurer of the Morgan Stanley Funds (from 2010 to 2013).	192
		Length of Service: Since 2013		

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

(2) Information as of April 15, 2016.

**PROPOSAL NO. 2 REORGANIZATION OF EACH TARGET FUND INTO THE ACQUIRING FUND (PREFERRED SHAREHOLDERS OF EACH FUND)**

**A. SYNOPSIS**

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement with respect to the proposed Reorganizations. More complete information is contained elsewhere in this Joint Proxy Statement and the appendices hereto. Shareholders should read the entire Joint Proxy Statement carefully.

**Background and Reasons for the Reorganizations**

The boards of directors/trustees of Nuveen’s leveraged national municipal closed-end funds, including the Board of each of the Funds, have approved a series of proposals that are intended to benefit shareholders in a number of ways by streamlining and differentiating Nuveen’s product offerings. The proposals included the Reorganization of each Target Fund into the Acquiring Fund. Each Board has determined that the Reorganization(s) proposed for its Fund would be in the best interests of such Fund. The Target Funds and the Acquiring Fund have similar investment objectives, policies and risks and invest exclusively in municipal securities and other investments the income from which is exempt from regular federal income tax.

Based on information provided by Nuveen Fund Advisors, LLC (previously defined as Nuveen Fund Advisors or the Adviser), the investment adviser to each Fund, each Fund's Board believes that the Reorganizations may benefit common shareholders in a number of ways, including, among other things:

The potential for higher common share net earnings over time from increased operating economies of scale, which may support higher distribution rates in the future and increase investor interest in the combined fund, and, in turn, may lower the trading discount to net asset value of common shares;

Increased portfolio and leverage management flexibility due to the significantly larger asset base of the combined fund;

Improved secondary market trading for common shares as a result of the combined fund's greater share volume, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements; and

Lower fund operating expenses excluding the costs of leverage for all Funds, as certain fixed costs are spread over a larger asset base (however, total expenses including leverage are expected to be the same for Premium Income 2 and higher for the Acquiring Fund due to increased leverage).

The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. The closing of each Reorganization is also subject to the satisfaction or waiver of certain closing conditions, which include customary closing conditions. In order for the Reorganizations to occur, all requisite shareholder approvals must be obtained at the Annual Meetings, and certain other consents, confirmations and/or waivers must also be obtained from various third parties, including the holders of the outstanding VMTP Shares of the Acquiring Fund and Performance Plus under the purchase agreements relating to such VMTP Shares and liquidity providers with respect to the outstanding VRDP Shares of the Acquiring Fund, Market Opportunity and Premium Income 2. Because the closing of the Reorganizations is contingent upon each of the Target Funds and the Acquiring Fund obtaining such shareholder approvals and satisfying (or obtaining the waiver of) other closing conditions, it is possible that the Reorganizations will not occur, even if shareholders of your Fund entitled to vote on your Fund's Reorganization proposal(s) approve such proposal(s) and your Fund satisfies all of its closing conditions, if one or more of the other Funds does not obtain its requisite shareholder approvals or satisfy (or obtain the waiver of) its closing conditions. If the Reorganizations are not consummated, each Fund's Board may take such actions as it deems in the best interests of its Fund. For a fuller discussion of the Boards' considerations regarding the approval of the Reorganizations, see C. Information About the Reorganizations Reasons for the Reorganizations.

#### **Material Federal Income Tax Consequences of the Reorganizations**

As a condition to closing, each Fund will receive, with respect to its proposed Reorganization(s), an opinion of Vedder Price P.C., subject to certain representations, assumptions and conditions, substantially to the effect that the proposed Reorganization(s) will qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code). Accordingly, it is expected that no Fund will recognize gain or loss for federal income tax purposes as a direct result of the Reorganizations. It is also expected that preferred shareholders of a Target Fund who receive Acquiring Fund preferred shares pursuant to a Reorganization will recognize no gain or

loss for federal income tax purposes as a result of such exchange. However, gain or loss may be recognized by a shareholder who exercises dissenters' rights under Minnesota law. Prior to the closing of the Reorganizations, each Target Fund is expected to sell the municipal securities in its portfolio that generate income subject to the federal alternative minimum tax applicable to individuals. Such sales are expected to be less than 5% of the assets of each Target Fund. To the extent that portfolio securities of a Fund are sold prior to the closing of the Reorganizations, such Fund may realize gains or losses. Gains from such sales will be taxable to a Fund's preferred shareholders to the extent such amounts are required to be allocated to distributions received by preferred shareholders. Pursuant to its non-fundamental investment policy adopted on February 4, 2016, the Acquiring Fund does not intend to acquire securities the income of which is subject to the federal alternative minimum tax applicable to individuals.

The foregoing discussion and the tax opinion discussed above to be received by the Funds regarding certain aspects of the Reorganizations, including that the Reorganizations will qualify as tax-free reorganizations under the Code and that preferred shareholders of a Target Fund will not recognize gain or loss upon the exchange of their shares, will rely on the position that the Acquiring Fund preferred shares will constitute equity of the Acquiring Fund. See C. Information About the Reorganizations Material Federal Income Tax Consequences of the Reorganizations.

### Comparison of the Acquiring Fund and each Target Fund

*General.* The Acquiring Fund and each Target Fund are diversified, closed-end management investment companies. Set forth below is certain comparative information about the organization, capitalization and operation of each Fund.

Fund	Organization		State of Organization	Entity Type
	Organization Date			
Acquiring Fund	July 29, 2002		Massachusetts	business trust
Performance Plus	April 28, 1989		Minnesota	corporation
Market Opportunity	January 23, 1990		Minnesota	corporation
Premium Income 2	November 4, 1991		Minnesota	corporation

Fund	Capitalization - Common Shares			Preemptive, Conversion or Exchange Rights	Rights to Cumulative Voting	Exchange on which Common Shares are Listed
	Authorized Shares	Shares Outstanding <sup>(1)</sup>	Par Value Per Share			
Acquiring Fund	Unlimited	78,883,061	\$ 0.01	None	None	NYSE
Performance Plus	200,000,000	60,025,455	\$ 0.01	None	None	NYSE
Market Opportunity	200,000,000	45,874,035	\$ 0.01	None	None	NYSE
Premium Income 2	200,000,000	70,692,851	\$ 0.01	None	None	NYSE

(1) As of March 18, 2016 for the Acquiring Fund, and as of April 18, 2016 for each Target Fund.

The Acquiring Fund currently has outstanding 1,510 VMTP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share (the Outstanding VMTP Shares), and 3,499 VRDP Shares in two series, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share (the Outstanding VRDP Shares and together with the Outstanding VMTP Shares, the Outstanding Preferred Shares). Performance Plus currently has outstanding 5,350 VMTP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share; Market

Opportunity currently has outstanding 3,509 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share; and Premium Income 2 currently has outstanding 4,895 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share. Each Fund's VMTP Shares and VRDP Shares are entitled to one vote per share. The preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations will have equal priority with each other and with the Acquiring Fund's other outstanding preferred shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. In addition, the preferred shares of the Acquiring Fund, including preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations, will be senior in priority to the Acquiring Fund's common shares as to payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations will have rights and preferences, including liquidation preferences, that are substantially identical (with respect to VMTP Shares) or substantially similar (with respect to VRDP Shares) to those of the outstanding Target Fund preferred shares for which they are exchanged.

*Investment Objectives and Policies.* The investment objectives of the Funds are similar, with the only substantive difference being that the Acquiring Fund seeks current income exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals while each Target Fund seeks current income exempt from regular federal income tax only. The investment objectives of the Acquiring Fund are to provide current income exempt from regular federal income tax and the federal alternative minimum tax applicable to individuals, and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Fund's investment adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued. The primary investment objective of each of Performance Plus and Market Opportunity is current income exempt from regular federal income tax. Premium Income 2's primary investment objective is to provide current income exempt from regular federal income tax, consistent with the Fund's investment policies. Each Target Fund's secondary investment objective is to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that, in the opinion of the Fund's investment adviser, are underrated or undervalued or that represent municipal market sectors that are undervalued.

The Acquiring Fund has a fundamental investment policy requiring it to invest, under normal circumstances, at least 80% of its managed assets in a portfolio of securities the income from which is exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals. Each Target Fund has a fundamental investment policy requiring it to invest, under normal circumstances, at least 80% of its managed assets in municipal securities and other related investments the income from which is exempt from regular federal income tax. In addition, the Acquiring Fund has a non-fundamental investment policy pursuant to which the Acquiring Fund will, under normal circumstances, invest 100% of its managed assets in securities that, at the time of investment, generate income exempt from the federal alternative minimum tax applicable to individuals.

The investment policies of the Target Funds are similar to those of the Acquiring Fund, except that no Target Fund has an investment policy regarding investments in securities the income from which is exempt from the federal alternative minimum tax applicable to individuals. The Target Funds may invest without limit in securities that pay interest subject to the federal alternative minimum tax applicable to individuals, subject to their other investment policies, and may from time to time have substantial holdings of such securities.

The following summary compares the current principal investment policies and strategies of the Acquiring Fund, to the current principal investment policies and strategies of the Target Funds as of the date of this Joint Proxy Statement. Managed Assets includes the net assets of a Fund as well as assets of a Fund that are attributable to leverage.

<b>Acquiring Fund</b>	<b>Performance Plus and Market Opportunity</b>	<b>Premium Income 2</b>	<b>Differences</b>
<p><i>Principal Investment Strategy:</i></p> <p>Under normal circumstances, the fund will invest at least 80% of its Managed Assets in a portfolio of securities the income from which is exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals.</p>	<p><i>Principal Investment Strategy:</i></p> <p>Under normal circumstances, the fund will invest at least 80% of its Managed Assets in municipal securities and other related investments the income from which is exempt from regular federal income tax.</p>	<p><i>Principal Investment Strategy:</i></p> <p>Under normal circumstances, the fund will invest at least 80% of its Managed Assets in municipal securities and other related investments the income from which is exempt from regular federal income tax.</p>	<p>The Acquiring Fund has a principal investment strategy that requires investing in securities the income from which is exempt from the federal alternative minimum tax applicable to individuals. The Target Funds do not have any policy with respect to the federal alternative minimum tax.</p>
<p><i>Credit Quality:</i></p> <p>Under normal circumstances, the fund may invest up to 35% of its Managed Assets in securities rated, at the time of investment, below the three highest grades (Baa or BBB or lower) by at least one nationally recognized statistical rating organization ( NRSRO ), which includes below-investment grade municipal securities or unrated securities judged to be of comparable quality by the fund's sub-adviser<sup>(1)</sup></p>	<p><i>Credit Quality:</i></p> <p>Under normal circumstances, the fund may invest up to 35% of its Managed Assets in securities rated, at the time of investment, below the three highest grades (Baa or BBB or lower) by at least one NRSRO, which includes below-investment grade municipal securities or unrated securities judged to be of comparable quality by the fund's sub-adviser.</p>	<p><i>Credit Quality:</i></p> <p>Under normal circumstances, the fund may invest up to 35% of its Managed Assets in securities rated, at the time of investment, below the three highest grades (Baa or BBB or lower) by at least one NRSRO, which includes below-investment grade municipal securities or unrated securities judged to be of comparable quality by the fund's sub-adviser.</p>	<p>Identical</p>

**Acquiring Fund**

*Alternative Minimum Tax Policy:*

As a fundamental investment policy, under normal circumstances, the fund will invest at least 80% of its Managed Assets in a portfolio of securities the income from which is exempt from the federal alternative minimum tax applicable to individuals. As a non-fundamental policy, under normal circumstances the fund will invest 100% of its Managed Assets in securities that, at the time of investment, generate income exempt from the federal alternative minimum tax applicable to individuals.

*Leverage:*

The fund may employ leverage through the issuance of preferred shares, bank borrowings or portfolio investments that have the economic effect of leverage, including but not limited to investments in futures, options and inverse floating rate securities. The fund may invest up to 15% of its Managed Assets in inverse floating rate securities.

**Performance Plus and Market Opportunity**

*Alternative Minimum Tax Policy:*

The fund may invest without limit in securities that generate income subject to the federal alternative minimum tax applicable to individuals.

*Leverage:*

The fund may employ leverage through the issuance of preferred shares, bank borrowings or portfolio investments that have the economic effect of leverage, including but not limited to investments in futures, options and inverse floating rate securities. The fund may invest up to 15% of its Managed Assets in inverse floating rate securities.

**Premium Income 2**

*Alternative Minimum Tax Policy:*

The fund may invest without limit in securities that generate income subject to the federal alternative minimum tax applicable to individuals.

*Leverage:*

The fund may employ leverage through the issuance of preferred shares, bank borrowings or portfolio investments that have the economic effect of leverage, including but not limited to investments in futures, options and inverse floating rate securities. The fund may invest up to 15% of its Managed Assets in inverse floating rate securities.

**Differences**

The Acquiring Fund will invest exclusively in securities that general income exempt from the federal alternative minimum tax applicable to individuals. The Target Funds may invest without limit in securities that generate income subject to the federal alternative minimum tax applicable to individuals.

Identical.



<b>Acquiring Fund</b>	<b>Performance Plus and Market Opportunity</b>	<b>Premium Income 2</b>	<b>Differences</b>
<p><i>Illiquid Securities:</i></p> <p>The fund may invest in illiquid securities (i.e., securities that are not readily marketable), including, but not limited to, restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may be resold only pursuant to Rule 144A under the Securities Act, and repurchase agreements with maturities in excess of seven days.</p>	<p><i>Illiquid Securities:</i></p> <p>The fund may invest in municipal securities and other instruments that, at the time of investment, are illiquid (i.e., securities that are not readily marketable). For this purpose, illiquid securities may include, but are not limited to, restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may be resold only pursuant to Rule 144A under the Securities Act, that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days.</p>	<p><i>Illiquid Securities:</i></p> <p>The fund may invest in municipal securities and other instruments that, at the time of investment, are illiquid (i.e., securities that are not readily marketable). For this purpose, illiquid securities may include, but are not limited to, restricted securities (securities the disposition of which is restricted under the federal securities laws), securities that may be resold only pursuant to Rule 144A under the Securities Act, that are deemed to be illiquid, and repurchase agreements with maturities in excess of seven days.</p>	<p>Substantially identical.</p>
<p><i>Weighted Average Maturity Policy:</i></p> <p>The fund buys municipal securities with different maturities and intends to maintain an average portfolio maturity of 15 to 30 years, although this may be shortened depending on market conditions.</p>	<p><i>Weighted Average Maturity Policy:</i></p> <p>The fund buys municipal securities with different maturities and intends to maintain an average portfolio maturity of 15 to 30 years, although this may be shortened depending on market conditions.</p>	<p><i>Weighted Average Maturity Policy:</i></p> <p>The fund buys municipal securities with different maturities and intends to maintain an average portfolio maturity of 15 to 30 years, although this may be shortened depending on market conditions.</p>	<p>Identical.</p>

**Acquiring Fund***Other Investment Companies:*

The fund may invest in securities of other open- or closed-end investment companies (including exchange-traded funds ( ETFs )) that invest primarily in municipal securities of the types in which the fund may invest directly, to the extent permitted by the 1940 Act, the rules and regulations issued thereunder and applicable exemptive orders issued by the SEC. In addition, the fund may invest a portion of its Managed Assets in pooled investment vehicles (other than investment companies) that invest primarily in municipal securities of the types in which the fund may invest directly.

*Use of Derivatives:*

The fund may enter into certain derivative instruments in pursuit of its investment objectives. Such instruments include financial futures contracts, swap contracts (including credit default swaps and interest rate swaps), options on financial futures, options on swap contracts or other derivative instruments. The fund may not enter into a futures contract 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 future contracts or related options.

**Performance Plus and Market Opportunity***Other Investment Companies:*

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

*Use of Derivatives:*

The fund may invest in certain derivative financial instruments including futures, forward, swap and option contracts, and other financial instruments with similar characteristics. The fund may not enter into a futures contract 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 future contracts or related options.

**Premium Income 2***Other Investment Companies:*

The fund may invest up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including ETFs) that invest primarily in municipal securities of the types in which the fund may invest directly. In addition, the fund may invest a portion of its Managed Assets in pooled investment vehicles (other than investment companies) that invest primarily in municipal securities of the types in which the fund may invest directly.

*Use of Derivatives:*

The fund may invest in certain 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 fund may not enter into a futures contract 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 future contracts or related options.

**Differences**

Substantially identical.

Substantially identical.



- (1) Prior to February 4, 2016, the Acquiring Fund and each Target Fund had non-fundamental investment policies that required the each fund, under normal circumstances, (1) to invest at least 80% of its Managed Assets in investment-grade municipal securities (which includes Baa or BBB-rated municipal securities) and (2) permitted the Fund to invest up to 20% of its Managed Assets in below-investment-grade municipal securities and no more than 10% of its Managed Assets in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by the Fund's investment adviser. On February 4, 2016, the Board of the Acquiring Fund and each Target Fund replaced this policy and adopted the current non-fundamental policy described above. Non-fundamental investment policies may be changed by each Board at any time without shareholder approval. Each of the Acquiring Fund and Target Funds has certain agreements in place related to its outstanding preferred shares. These agreements currently have covenants aligned with each fund's non-fundamental investment policies that were in effect prior to February 4, 2016. Consequently, the Acquiring Fund and each Target Fund must comply with the investment policy covenants contained in the preferred share agreements until such time that those agreements are amended. It is currently expected that the agreements governing the Acquiring Fund's outstanding preferred shares will be so amended in connection with the completion of the Reorganizations, and that the agreements governing the new preferred shares to be issued by the Acquiring Fund in the Reorganizations will include provisions permitting the Acquiring Fund to take full advantage of its non-fundamental investment policies. It is not currently expected that the agreements governing the Target Funds' outstanding preferred shares will be amended prior to the completion of the Reorganizations.

*Credit Quality.* A comparison of the credit quality (as a percentage of total investment exposure, which includes the leveraged effect of the Acquiring Fund and each Target Fund's investments in inverse floating rate securities of tender option bond trusts) of the portfolios of the Acquiring Fund and each Target Fund, as of October 31, 2015, is set forth in the table below. The information for the Acquiring Fund and each Target Fund in the table below reflects that fund's investment policies as in effect on October 31, 2015. Under the non-fundamental investment policies adopted on February 4, 2016, the Acquiring Fund and each Target Fund is expected to increase its allocation to lower rated securities over time.

<b>Credit Rating<sup>(1)</sup></b>	<b>Acquiring Fund</b>	<b>Performance Plus</b>	<b>Market Opportunity</b>	<b>Premium Income 2</b>
AAA/U.S. Guaranteed	15.1%	13.7%	14.2%	15.0%
AA	47.3%	49.8%	47.9%	47.7%
A	20.1%	19.8%	20.7%	23.9%
BBB	10.6%	7.6%	7.7%	8.9%
BB or lower	4.7%	7.7%	8.4%	3.5%
N/R (not rated)	2.2%	1.4%	0.9%	1.0%
N/A (not applicable) <sup>(2)</sup>			0.2%	

- (1) Ratings shown are the highest rating given by one of the following national rating agencies: S&P, Moody's or Fitch Ratings, Inc. (Fitch). Credit ratings are subject to change. AAA, AA, A, and BBB are investment-grade ratings; BB, B, CCC, CC and D are below-investment-grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.
- (2) Relates to common stock holdings for Market Opportunity. Market Opportunity received common stock of American Airlines when its bonds issued by Puerto Rico Ports Authority for American Airlines were converted to equity as part of a merger.

*Leverage.* Each Fund may utilize the following forms of leverage: (1) the issuance of preferred shares, (2) bank borrowings and (3) portfolio investments that have the economic effect of leverage, including but not limited to investments in futures, options and inverse floating rate securities (sometimes referred to as inverse floaters). The Acquiring Fund and each Target Fund currently employs leverage through the issuance of preferred shares and the use of inverse floaters. Certain important ratios related to the Acquiring Fund and each Target Fund's use of leverage for the last three fiscal years are set forth below:

<b>Acquiring Fund</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset Coverage Ratio <sup>(1)</sup>	333.35%	338.19%	316.45%
Regulatory Leverage Ratio <sup>(2)</sup>	30.00%	29.57%	31.60%
Effective Leverage Ratio <sup>(3)</sup>	36.19%	33.85%	36.40%

<b>Performance Plus</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset Coverage Ratio <sup>(1)</sup>	281.15%	283.09%	266.12%
Regulatory Leverage Ratio <sup>(2)</sup>	35.57%	35.32%	37.58%
Effective Leverage Ratio <sup>(3)</sup>	37.49%	37.24%	39.87%

<b>Market Opportunity</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset Coverage Ratio <sup>(1)</sup>	298.85%	299.08%	279.53%
Regulatory Leverage Ratio <sup>(2)</sup>	33.46%	33.44%	35.77%
Effective Leverage Ratio <sup>(3)</sup>	35.91%	35.99%	39.17%

<b>Premium Income 2</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Asset Coverage Ratio <sup>(1)</sup>	322.12%	326.04%	307.05%
Regulatory Leverage Ratio <sup>(2)</sup>	31.04%	30.67%	32.57%
Effective Leverage Ratio <sup>(3)</sup>	37.96%	36.38%	39.78%

- (1) A Fund's asset coverage ratio is defined under the 1940 Act as the ratio that the value of the total assets of the Fund, less all liabilities and indebtedness not represented by preferred shares or senior securities representing indebtedness, bears to the aggregate amount of preferred shares and senior securities representing indebtedness issued by the Fund.
- (2) Regulatory leverage consists of preferred shares or debt issued by the Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as 1940 Act Leverage and is subject to asset coverage limits set forth in the 1940 Act.
- (3) Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative investments in the Fund's portfolio. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings, in addition to any regulatory leverage, are included in effective leverage ratios.

*Board Members and Officers.* The Acquiring Fund and each Target Fund have the same Board Members and officers. The management of each Fund, including general supervision of the duties performed by the Fund's investment adviser under an investment management agreement between the investment adviser and such Fund (each, an Investment Management Agreement), is the responsibility of its Board. Each Fund currently has eleven(11) Board Members, two (2) of whom are interested persons, as defined in the 1940 Act, and nine (9) of whom are not interested persons. The names and business addresses of the Board Members and officers of the Funds and their principal occupations and other affiliations during the past five years are set forth under Proposal No. 1 The Election of Board Members.

While the Acquiring Fund and Target Funds have the same Board Members, the Acquiring Fund, which is organized as a Massachusetts business trust (the Massachusetts Fund), has a board structure that is different from the structure for the Target Funds, which are organized as Minnesota corporations (the Minnesota Funds). All members of the boards of directors of the Minnesota Funds stand for election each year. In contrast to the Minnesota Funds' board structure, and pursuant to the Massachusetts Fund's by-laws, the board of trustees of the Massachusetts Fund is divided into three classes (Class I, Class II and Class III) with staggered multi-year terms, such that only the members of one of the three classes stand for election each year; provided, however, that holders of preferred shares are entitled as a class to elect two trustees of the Acquiring Fund at all times. The staggered board structure could delay for up to two years the election of a majority of the Board of the Acquiring Fund. To the extent the preferred shares are held by a small number of institutional holders, a few holders could exert influence on the selection of the Board as a result of the requirement that holders of preferred shares be entitled to elect two trustees of the Acquiring Fund at all times. The Acquiring Fund's board structure will remain in place following the closing of the Reorganizations.

*Investment Adviser.* Nuveen Fund Advisors, LLC (previously defined as Nuveen Fund Advisors or the Adviser) is the investment adviser to each Fund and is responsible for overseeing each Fund's overall investment strategy, including the use of leverage, and its implementation. Nuveen Fund Advisors also is responsible for the ongoing monitoring of any sub-adviser to the Funds, managing each Fund's business affairs and providing certain clerical, bookkeeping and other administrative services to the Funds. Nuveen Fund Advisors is located at 333 West Wacker Drive, Chicago, Illinois 60606.

Nuveen Fund Advisors, a registered investment adviser, is a wholly-owned subsidiary of Nuveen Investments, Inc. (previously defined as Nuveen or Nuveen Investments). Founded in 1898, Nuveen Investments and its affiliates had approximately \$225 billion in assets under management as of December 31, 2015. Nuveen is a separate subsidiary of TIAA, a financial services organization based in New York, New York. TIAA acquired Nuveen on October 1, 2014.

Nuveen Fund Advisors has selected its wholly owned subsidiary, Nuveen Asset Management, LLC (previously defined as Nuveen Asset Management or the Sub-Adviser), located at 333 West Wacker Drive, Chicago, Illinois 60606, to serve as a sub-adviser to each of the Funds pursuant to a sub-advisory agreement between Nuveen Fund Advisors and Nuveen Asset Management (the Sub-Advisory Agreement). Nuveen Asset Management, a registered investment adviser, oversees day-to-day operations and manages the investment of the Funds' assets on a discretionary basis, subject to the supervision of Nuveen Fund Advisors. Pursuant to the Sub-Advisory Agreement, Nuveen Asset Management is compensated for the services it provides to the Funds with a portion of the management fee Nuveen Fund Advisors receives from each Fund. Nuveen Fund Advisors and Nuveen Asset Management retain the right to reallocate investment advisory responsibilities and fees between themselves in the future.

Unless earlier terminated as described below, each Fund's Investment Management Agreement with Nuveen Fund Advisors will remain in effect until August 1, 2016. Each Investment Management Agreement continues in effect from year to year so long as such continuation is approved at least annually by: (1) the Board or the vote of a majority of the outstanding voting securities of the Fund; and (2) a majority of the Board Members who are not interested persons of any party to the Investment Management Agreement, cast in person at a meeting called for the purpose of voting on such approval. Each Investment Management Agreement may be terminated at any time, without penalty, by either

the Fund or Nuveen Fund Advisors upon 60 days written notice and is automatically terminated in the event of its assignment, as defined in the 1940 Act.

Pursuant to each Investment Management Agreement, each Fund has agreed to pay an annual management fee for the overall advisory and administrative services and general office facilities provided by Nuveen Fund Advisors. Each Fund's management fee consists of two components—a complex-level fee, based on the aggregate amount of all eligible fund assets managed by Nuveen Fund Advisors, and a specific fund-level fee, based only on the amount of assets within such Fund. This pricing structure enables the Funds' shareholders to benefit from growth in assets within each individual Fund as well as from growth of complex-wide assets managed by Nuveen Fund Advisors.

For the fiscal year ended October 31, 2015, the effective management fee rates of the Acquiring Fund, Performance Plus, Market Opportunity and Premium Income 2, expressed as a percentage of average total daily net assets (including assets attributable to leverage), were 0.58%, 0.58%, 0.59% and 0.58%, respectively.

The annual fund-level fee rate for each Fund, payable monthly, is calculated according to the following schedules:

**Current Fund-Level Fee Schedule for the Acquiring Fund**

<b>Average Total Daily Net Assets*</b>	<b>Fund-Level Fee Rate</b>
For the first \$125 million	0.4500%
For the next \$125 million	0.4375%
For the next \$250 million	0.4250%
For the next \$500 million	0.4125%
For the next \$1 billion	0.4000%
For net assets over \$2 billion	0.3750%

\* For this purpose, average total daily net assets include net assets attributable to preferred shares and residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts.

**Fund-Level Fee Schedule for Performance Plus, Market Opportunity and Premium Income 2**

<b>Average Total Daily Net Assets*</b>	<b>Fund-Level Fee Rate</b>
For the first \$125 million	0.4500%
For the next \$125 million	0.4375%
For the next \$250 million	0.4250%
For the next \$500 million	0.4125%
For the next \$1 billion	0.4000%
For the next \$3 billion	0.3875%
For net assets over \$5 billion	0.3750%

\* For this purpose, average total daily net assets include net assets attributable to preferred shares and residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts.

In connection with the Reorganizations, Nuveen Fund Advisors proposed and the Board of the Acquiring Fund approved an amended management fee schedule for the Acquiring Fund, to take effect in conjunction with the closing of the Reorganizations, that includes an additional breakpoint, providing for a lower effective fund-level management fee rate payable with respect to managed assets over \$5 billion, and standardizes the Acquiring Fund's Investment Management Agreement with the investment management agreements of Nuveen's newer municipal closed-end funds. The pro forma managed assets of the combined fund as of October 31, 2015 slightly exceeded \$5 billion.

The annual fund-level fee rate for the Acquiring Fund under the new Investment Management Agreement, payable monthly, will be calculated according to the following schedule:

**Proposed Fund-Level Fee Schedule for the Acquiring Fund**

<b>Average Daily Managed Assets*</b>	<b>Fund-Level Fee Rate</b>
For the first \$125 million	0.4500%
For the next \$125 million	0.4375%
For the next \$250 million	0.4250%
For the next \$500 million	0.4125%
For the next \$1 billion	0.4000%
For the next \$3 billion	0.3750%
For managed assets over \$5 billion	0.3625%

\* For this purpose, managed assets means the total assets of the Fund, minus the sum of its accrued liabilities (other than Fund liabilities incurred for the express purpose of creating leverage). Total assets for this purpose shall include assets attributable to the Fund's use of effective leverage (whether or not those assets are reflected in the Fund's financial statements for purposes of U.S. generally accepted accounting principles).

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. Each Fund pays all of its other costs and expenses of its operations, including compensation of its Board Members (other than those affiliated with the Adviser), custodian, transfer agency and dividend disbursing expenses, legal fees, expenses of independent auditors, expenses of repurchasing shares, expenses of issuing any preferred shares, expenses of preparing, printing and distributing shareholder reports, notices, proxy statements and reports to governmental agencies, listing fees and taxes, if any. For the services provided pursuant to each Fund's Sub-Advisory Agreement, Nuveen Fund Advisors pays Nuveen Asset Management a fee, payable monthly, equal to 38.4615% of the management fee (net of applicable waivers and reimbursements) paid by the Fund to Nuveen Fund Advisors.

The stated fund-level fee rate for the Acquiring Fund is lower at certain asset values than the fee rates of Performance Plus, Market Opportunity and Premium Income 2 at the same asset levels. The effective fund-level fee rate as a percentage of average daily Managed Assets for the combined fund is expected to be lower than the current effective fund-level fee rate for the Acquiring Fund and each Target Fund due to the combination of the assets of the Funds and the combined fund's ability to benefit from available breakpoints in the applicable fee schedule that reduces the fee rate as the Acquiring Fund's Managed Assets increase in size.

Each Fund also pays a complex-level fee to Nuveen Fund Advisors, which is payable monthly and is in addition to the fund-level fee. The complex-level fee is based on the aggregate daily amount



of eligible assets for all Nuveen sponsored funds in the United States, as stated in the table below. As of October 31, 2015, the complex-level fee rate for each Fund was 0.1639%.

The annual complex-level fee for each Fund, payable monthly, is calculated according to the following schedule:

#### Complex-Level Fee Rates

Complex-Level Managed Asset Breakpoint Level**	Effective Rate at Breakpoint Level
\$55 billion	0.2000%
\$56 billion	0.1996%
\$57 billion	0.1989%
\$60 billion	0.1961%
\$63 billion	0.1931%
\$66 billion	0.1900%
\$71 billion	0.1851%
\$76 billion	0.1806%
\$80 billion	0.1773%
\$91 billion	0.1691%
\$125 billion	0.1599%
\$200 billion	0.1505%
\$250 billion	0.1469%
\$300 billion	0.1445%

\*\* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to certain types of leverage. For these purposes, leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen funds that constitute eligible assets. Eligible assets do not include assets attributable to investments in other Nuveen funds or assets in excess of \$2 billion added to the Nuveen fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. A discussion of the basis for the Board's most recent approval of each Fund's current Investment Management Agreement and Sub-Advisory Agreement are included in the Fund's Annual Report for the fiscal year ended October 31, 2015.

*Portfolio Management.* Subject to the supervision of Nuveen Fund Advisors, Nuveen Asset Management is responsible for execution of specific investment strategies and day-to-day investment operations. Nuveen Asset Management manages the portfolios of the Funds using a team of analysts and a portfolio manager that focuses on a specific group of funds. Paul L. Brennan, CFA, CPA, is the portfolio manager of the Acquiring Fund and Premium Income 2, and Thomas C. Spalding, CFA, is the portfolio manager of Performance Plus and Market Opportunity. Mr. Brennan assumed portfolio management responsibility for the Acquiring Fund and Premium Income 2 in 2006, and Mr. Spalding assumed portfolio management responsibility for Performance Plus and Market Opportunity in 2003. Christopher L. Drahn, CFA will manage the combined fund upon completion of the Reorganizations.

Paul L. Brennan, CFA, CPA, is a Senior Vice President of Nuveen Investments. He manages several Nuveen municipal national and state mutual funds and closed-end bond funds. Mr. Brennan began his career in the investment business in 1991, as a municipal credit analyst for Flagship Financial, before becoming a portfolio manager in 1994. He joined Nuveen Investments in 1997, when Nuveen acquired Flagship Financial that year. He earned his B.S. in Accountancy and Finance from Wright State University. He is a Certified Public Accountant (CPA), has earned the Chartered Financial Analyst (CFA) designation, and currently sits on the Nuveen Asset Management Investment Management Committee.

Christopher L. Drahn, CFA, manages several municipal funds and portfolios. He began working in the financial industry when he joined FAF Advisors in 1980. Mr. Drahn became a portfolio manager in 1988. He received a B.A. from Wartburg College and an M.B.A. in finance from the University of Minnesota. Mr. Drahn holds the Chartered Financial Analyst (CFA) designation.

Thomas C. Spalding, CFA, is a Senior Vice President and Senior Investment Officer of Nuveen Investments. He has direct investment responsibility for the National Long Term funds. He joined Nuveen in 1976 as assistant portfolio manager and has been the portfolio manager of the Nuveen Municipal Value Fund, Nuveen's first closed-end exchange traded fund, since its inception in 1987. Currently, he manages investments for 16 Nuveen-sponsored investment companies.

### **Comparative Risk Information**

Because the Acquiring Fund and the Target Funds have similar investment objectives and policies and substantially similar portfolio compositions, the principal risks of an investment in each fund are similar. Each fund is subject to various risks associated with investing primarily in a portfolio of municipal securities and employing leverage, which include:

*Municipal Securities Risk.* Special factors may adversely affect the value of municipal securities and have a significant effect on the yield or value of a fund's investments in municipal securities. These factors include economic conditions, political or legislative changes, regulatory developments or enforcement actions, uncertainties related to the tax status of municipal securities, or the rights of investors.

*Tax Risk.* The tax treatment of fund distributions may be affected by new Internal Revenue Service ( IRS ) interpretations of the Code and future changes in tax laws and regulations.

*Leverage Risk.* Each fund's use of leverage creates the possibility of higher volatility for the fund's per share net asset value, market price, distributions and returns. There is no assurance that a fund's leveraging strategy will be successful.

*Inverse Floater Risk.* The funds may invest in inverse floaters. Due to their leveraged nature, these investments can greatly increase a fund's exposure to interest rate risk and credit risk. In addition, investments in inverse floaters involve the risk that the fund could lose more than its original principal amount.

*Issuer Credit Risk.* This is the risk that a security in a fund's portfolio will fail to make dividend or interest payments when due. Investments in lower rated securities are subject to higher risks than investments in higher rated securities.

*Interest Rate Risk.* Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

*Reinvestment Risk.* If market interest rates decline, income earned from a fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

*Call Risk or Prepayment Risk.* Issuers may exercise their option to prepay principal earlier than scheduled, forcing a fund to reinvest in lower yielding securities.

*Derivatives Risk.* The funds may use derivative instruments which involve a high degree of financial risk, including the risk that the loss on a derivative may be greater than the principal amount invested.

*Municipal Bond Market Liquidity Risk.* Inventories of municipal bonds held by brokers and dealers have decreased in recent years, lessening their ability to make a market in these securities. This reduction in market making capacity has the potential to decrease a fund's ability to buy or sell bonds, and increase bond price volatility and trading costs, particularly during periods of economic or market stress. In addition, recent changes to federal banking regulations may cause certain dealers to reduce their inventories of municipal bonds, which may further decrease a fund's ability to buy or sell bonds. As a result, a fund may be forced to accept a lower price to sell a security, to sell other securities to raise cash, or to give up an investment opportunity, any of which could have a negative effect on performance. If a fund needed to sell large blocks of bonds, those sales could further reduce the bonds' prices and hurt performance.

*High Yield Securities Risk.* High yield securities, which are rated below investment grade and commonly referred to as "junk" bonds, are speculative and high risk investments that may cause income and principal losses for a fund. They generally have greater credit risk, involve greater risks of default, downgrade, or price declines, are less liquid and have more volatile prices than investment-grade securities. Issuers of high yield securities are less financially strong, are more likely to encounter financial difficulties, and are more vulnerable to adverse market events and negative sentiments than issuers with higher credit ratings. Under the non-fundamental investment policies adopted on February 4, 2016, the Acquiring Fund and each Target Fund are expected to increase its allocation to lower rated securities over time.

The principal risks of investing in the Acquiring Fund are described in more detail under "Risk Factors."

### **Comparative Expense Information**

The information in the table below reflects the fees and expenses borne by common shareholders for each Fund's fiscal year ended October 31, 2015, except as described in footnotes 1 and 2 below, and the pro forma expenses for the twelve (12) months ended October 31, 2015, for the combined fund following the Reorganizations. The figures in the Example are not necessarily indicative of past or future expenses, and actual expenses may be greater or less than those shown. The Funds' actual rates of return may be greater or less than the hypothetical 5% annual return shown in the Example.

Comparative Fee Table<sup>(1)</sup>

	Performance Plus	Market Opportunity	Premium Income 2	Acquiring Fund	Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma <sup>(2)(3)</sup>
<b>Annual Expenses (as a percentage of net assets applicable to common shares)</b>					
Management Fees	0.93%	0.90%	0.89%	0.88%	0.87%
Fees on Preferred Shares and Interest and Related Expenses from Inverse Floaters <sup>(4)</sup>	0.57%	0.65%	0.56%	0.50%	0.58%
Other Expenses <sup>(5)</sup>	0.07%	0.09%	0.06%	0.08%	0.06%
<b>Total Annual Expenses</b>	<b>1.57%</b>	<b>1.64%</b>	<b>1.51%</b>	<b>1.46%</b>	<b>1.51%</b>

- (1) Annual Expenses (as a percentage of net assets applicable to common shares) are based on the expenses of the Acquiring Fund and Target Funds for the twelve (12) months ended October 31, 2015. Fees on Preferred Shares and Interest and Related Expenses from Inverse Floaters for Performance Plus have been restated to assume the issuance of Series 2018 VMTP Shares for the full period and to exclude one-time debt modification expenses. Fees on Preferred Shares and Interest and Related Expenses from Inverse Floaters for the Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma were estimated based on the actual expenses incurred by the Funds during the twelve (12) months ended October 31, 2015 adjusted for the restatement of expenses of Performance Plus noted above and adjusted for the impact of assumed additional inverse floating rate securities of \$136,715,000.
- (2) Pro Forma figures reflect the impact of applying the Acquiring Fund's post-Reorganization fund-level management fee rates to Nuveen Enhanced AMT-Free Quality Municipal Income Fund's Managed Assets and the anticipated reduction of certain duplicative expenses eliminated as a result of the Reorganizations. Pro Forma figures assume additional leverage of \$136,715,000 estimated to be incurred following the Reorganizations to achieve a leverage ratio equal to the highest leverage ratio of the Target Funds and the Acquiring Fund as of October 31, 2015. Pro Forma expenses do not include the expenses to be borne by the common shareholders of the Funds in connection with the Reorganizations, which are estimated to be \$690,000 (0.06%) for the Acquiring Fund, \$575,000 (0.06%) for Performance Plus, \$435,000 (0.06%) for Market Opportunity and \$630,000 (0.06%) for Premium Income 2. All percentages are based on average net assets applicable to common shares for the twelve (12) months ended October 31, 2015.
- (3) Upon the closing of the Reorganizations, the Acquiring Fund will change its name to Nuveen Enhanced AMT-Free Quality Municipal Income Fund.
- (4) Fees on Preferred Shares assume annual dividends paid and amortization of offering costs for VMTP Shares and VRDP Shares, where applicable, and annual liquidity and remarketing fees for VRDP Shares, where applicable. Interest and Related Expenses from Inverse Floaters include interest expense attributable to inverse floating rate securities created by selling a fixed-rate bond to a broker dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust ( self-deposited inverse floating rate securities ). To the extent the Acquiring Fund and each Target Fund create self-deposited inverse floating rate securities, the fund recognizes interest expense because accounting rules require the fund to treat interest paid by such trusts as having been paid (indirectly) by the fund. Because the Acquiring Fund and each Target Fund also recognize a corresponding amount of additional interest earned (also indirectly), the fund's net asset value per share, net investment income and total return are not affected by the accounting treatment. The actual fees on preferred shares and interest and related expenses from inverse floaters incurred in the future may be higher or lower. The Funds' use of leverage will increase the amount of management fees paid to the Adviser and the Sub-Adviser.
- (5) Other Expenses are estimated based on actual expenses from the prior fiscal year.

*Example:* The following examples illustrate the expenses that a common shareholder would pay on a \$1,000 investment that is held for the time periods provided in the table. The examples assume that all dividends and other distributions are reinvested and that Total Annual Expenses remain the same. The examples also assume a 5% annual return. The examples should not be considered a representation of future expenses. Actual expenses may be greater or lesser than those shown.

	1 Year	3 Years	5 Years	10 Years
Acquiring Fund	\$ 15	\$ 46	\$ 80	\$ 175
Performance Plus	\$ 16	\$ 50	\$ 86	\$ 187
Market Opportunity	\$ 17	\$ 52	\$ 89	\$ 194
Premium Income 2	\$ 15	\$ 48	\$ 82	\$ 180
Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma	\$ 15	\$ 48	\$ 82	\$ 180

**Comparative Performance Information**

Comparative total return performance for common shares of the Funds for periods ended October 31, 2015:

	Average Annual Total Return on Net Asset Value			Average Annual Total Return on Market Value		
	One Year	Five Years	Ten Years	One Year	Five Years	Ten Years
Acquiring Fund	3.38%	5.50%	5.69%	2.30%	3.61%	5.70%
Performance Plus	4.64%	7.48%	6.41%	7.56%	6.36%	6.59%
Market Opportunity	5.16%	7.60%	6.07%	4.37%	4.75%	5.75%
Premium Income 2	3.90%	6.64%	6.05%	5.42%	5.52%	6.19%

Average Annual Total Return on Net Asset Value is the combination of changes in common share net asset value, reinvested dividend income at net asset value and reinvested capital gains distributions at net asset value, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending net asset value. The actual reinvestment price for the last dividend declared in the period may often be based on the Fund's market price (and not its net asset value), and therefore may be different from the price used in the calculation. Average Annual Total Return on Market Value is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances it may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Past performance information is not necessarily indicative of future results.

**B. RISK FACTORS**

The principal risks of investing in VRDP Shares of the Acquiring Fund are described under the caption "Risk Factors" in the Confidential Information Memorandum accompanying this Joint Proxy Statement as Appendix D (the "Memorandum"). An investment in the VRDP Shares of Market Opportunity or Premium Income 2 is also generally subject to these principal risks. The risks and special considerations discussed in the Memorandum should be considered by holders of VRDP Shares

of each Fund in their evaluation of the Reorganizations. In connection with recent changes to the credit quality policy of the Acquiring Fund and each Target Fund, each fund is expected to increase its allocation to lower rated securities over time.

### C. INFORMATION ABOUT THE REORGANIZATIONS

#### General

The boards of directors/trustees of Nuveen's leveraged national municipal closed-end funds, including the Board of each of the Funds, have approved a series of proposals that are intended to benefit shareholders in a number of ways by streamlining and differentiating Nuveen's product offerings. As part of this initiative, the Board of each Target Fund and the Acquiring Fund approved the Reorganizations. Each Board has determined that the Reorganization(s) proposed for its Fund would be in the best interests of its Fund. Each Fund's Board considered the Reorganization(s) as part of a broad initiative to restructure the product offerings of Nuveen's leveraged national municipal closed-end funds by creating fewer funds with greater scale and more clearly differentiated and competitive investment mandates. As noted above, the Acquiring Fund and the Target Funds have similar investment objectives, policies and risks and substantially similar portfolio compositions. Based on the information provided by Nuveen Fund Advisors, each Fund's Board believes that the proposed Reorganizations may benefit common shareholders in a number of ways, including, among other things:

The potential for higher common share net earnings over time from increased operating economies of scale, which may support higher distribution rates in the future and increase investor interest in the combined fund, and, in turn, may lower the trading discount to net asset value of common shares;

Increased portfolio and leverage management flexibility due to the significantly larger asset base of the combined fund;

Improved secondary market trading for common shares as a result of the combined fund's greater share volume, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements; and

Lower fund operating expenses excluding the costs of leverage for all Funds, as certain fixed costs are spread over a larger asset base (as discussed in more detail below, total expenses including leverage are expected to be the same for Premium Income 2 and higher for the Acquiring Fund due to increased leverage).

The pro forma expense ratio of the combined fund including the costs of leverage, expressed as a percentage of net assets applicable to common shares as of October 31, 2015, is estimated to be the same as the total expense ratio of Premium Income 2 and five basis points (0.05%) higher than the total expense ratio of the Acquiring Fund because the combined fund is expected to make greater use of regulatory leverage (i.e., leverage attributable to preferred shares and bank borrowings) than Premium Income 2 and the Acquiring Fund. See the Comparative Fee Table on page 44.

The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. The closing of each Reorganization is also subject to the satisfaction or waiver of certain closing conditions, which include customary closing conditions. In order for the Reorganizations to occur, all requisite shareholder approvals must be obtained at the Annual Meetings, and certain other consents,

confirmations and/or waivers must also be obtained from various third parties, including the holders of the outstanding VMTP Shares of the Acquiring Fund and Performance Plus under the purchase agreements relating to such VMTP Shares and liquidity providers with respect to the outstanding VRDP Shares of the Acquiring Fund, Market Opportunity and Premium Income 2. Because the closing of the Reorganizations is contingent upon each of the Target Funds and the Acquiring Fund obtaining such shareholder approvals and satisfying (or obtaining the waiver of) other closing conditions, it is possible that the Reorganizations will not occur, even if shareholders of your Fund entitled to vote on your Fund's Reorganization proposal(s) approve such proposal(s) and your Fund satisfies all of its closing conditions, if one or more of the other Funds does not obtain its requisite shareholder approvals or satisfy (or obtain the waiver of) its closing conditions. If the Reorganizations are not consummated, each Fund's Board may take such actions as it deems in the best interests of its Fund.

### **Terms of the Reorganizations**

*General.* The Agreement, in the form attached as Appendix A to this Joint Proxy Statement, provides for: (1) the Acquiring Fund's acquisition of substantially all of the assets of each Target Fund in exchange for newly issued common shares of the Acquiring Fund, par value \$0.01 per share, and newly issued VMTP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, or newly issued VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, of the Acquiring Fund, as applicable, and the Acquiring Fund's assumption of substantially all of the liabilities of each Target Fund; and (2) the distribution of the newly issued Acquiring Fund common shares and Acquiring Fund preferred shares received by each Target Fund to its common and preferred shareholders, respectively, as part of the liquidation, dissolution and termination of each Target Fund in accordance with applicable law. No fractional Acquiring Fund common shares will be distributed to a Target Fund's common shareholders in connection with a Reorganization and, in lieu of such fractional shares, each Target Fund's common shareholders entitled to receive a fractional share will receive cash in an amount equal to a pro-rata share of the proceeds from the sale by the Acquiring Fund's transfer agent of the aggregated fractional shares in the open market (as described further below), which may be higher or lower than net asset value. Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VMTP Shares or VRDP Shares, as applicable, having substantially identical terms (with respect to VMTP Shares) or substantially similar terms (with respect to VRDP Shares) as the outstanding preferred shares of the Target Fund held by such preferred shareholders immediately prior to the closing of the Reorganizations. The aggregate liquidation preference of the Acquiring Fund preferred shares received in connection with each Reorganization will equal the aggregate liquidation preference of the corresponding Target Fund preferred shares held immediately prior to the closing of the Reorganization. The preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations will have equal priority with each other and with the Acquiring Fund's other outstanding preferred shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. In addition, the preferred shares of the Acquiring Fund, including the preferred shares of the Acquiring Fund to be issued in connection with the Reorganizations, will be senior in priority to the Acquiring Fund's common shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund.

As a result of the Reorganizations, the assets of the Acquiring Fund and each Target Fund would be combined, and the shareholders of each Target Fund would become shareholders of the Acquiring Fund. The closing date is expected to be on or about July 11, 2016, or such other date as the parties may agree (the Closing Date). Following the Reorganizations, each Target Fund would

terminate its registration as an investment company under the 1940 Act. The Acquiring Fund will continue to operate after the Reorganizations as a registered closed-end management investment company, with the investment objectives and policies described in this Joint Proxy Statement.

Following the Reorganizations, each preferred shareholder of a Target Fund would own the same number of Acquiring Fund preferred shares with the same aggregate liquidation preference as preferred shares of the Target Fund held by such shareholder immediately prior to the closing of the Reorganizations, with substantially identical terms (with respect to VMTP Shares) or substantially similar terms (with respect to VRDP Shares) as the outstanding preferred shares of the Target Fund held by such preferred shareholder immediately prior to the closing of the Reorganizations. As a result of the Reorganizations, preferred shareholders of the Funds may hold reduced voting percentages of preferred shares in the combined fund than they held in the Acquiring Fund or Target Fund individually. In addition, all of the VMTP Shares of the Acquiring Fund and Performance Plus are currently owned by a single institutional investor.

*Valuation of Assets and Liabilities.* If the Reorganizations are approved and the other closing conditions are satisfied or waived, the value of the net assets of each Target Fund will be the value of its assets, less its liabilities, computed as of the close of regular trading on the NYSE on the business day immediately prior to the Closing Date (such time and date being hereinafter called the "Valuation Time"). The value of each Target Fund's assets will be determined by using the valuation procedures of the Nuveen closed-end funds adopted by the Board or such other valuation procedures as will be mutually agreed upon by the parties. The value of each Target Fund's net assets will be calculated net of the liquidation preference (including accumulated and unpaid dividends) of all outstanding preferred shares of such Target Fund.

*Amendments.* Under the terms of the Agreement, the Agreement may be amended, modified or supplemented in such manner as may be mutually agreed upon in writing by each Fund as specifically authorized by each Fund's Board; provided, however, that following receipt of shareholder approval of the Agreement at the Annual Meeting, no such amendment, modification or supplement may have the effect of changing the provisions for determining the number of Acquiring Fund shares to be issued to each Target Fund's shareholders under the Agreement to the detriment of such shareholders without their further approval.

*Conditions.* Under the terms of the Agreement, the closing of the Reorganizations is subject to the satisfaction or waiver of the following closing conditions: (1) the requisite approval by the shareholders of each Fund, as applicable, of the proposals with respect to the Reorganization(s) in this Joint Proxy Statement, (2) each Fund's receipt of an opinion substantially to the effect that its Reorganization(s) will qualify as a reorganization under the Code (see "Material Federal Income Tax Consequences of the Reorganizations"), (3) the absence of legal proceedings challenging the Reorganizations, and (4) the Funds' receipt of certain customary certificates and legal opinions. Additionally, in order for the Reorganizations to occur, each Fund must obtain certain consents, confirmations and/or waivers from various third parties, including the holders of the outstanding VMTP Shares of the Acquiring Fund and Performance Plus under the purchase agreements relating to such VMTP Shares and liquidity providers with respect to the outstanding VRDP Shares of the Acquiring Fund, Market Opportunity and Premium Income 2. The Funds are not required under the respective Statements for VMTP Shares or VRDP Shares to maintain any particular (or particular level of) long-term ratings for the VMTP Shares or VRDP Shares.



*Termination.* The Agreement may be terminated by the mutual agreement of the parties and such termination may be effected by each Fund's Chief Administrative Officer or a Vice President without further action by the Board. In addition, any Fund may at its option terminate the Agreement at or before the closing due to: (1) a breach by any other party of any representation, warranty or agreement contained therein to be performed at or before the closing, if not cured within 30 days of the breach and prior to the closing; (2) a condition precedent to the obligations of the terminating party that has not been met and it reasonably appears it will not or cannot be met; or (3) a determination by its Board that the consummation of the transactions contemplated by the Agreement is not in the best interests of the Fund.

### **Reasons for the Reorganizations**

Based on the considerations below, the Board of each Fund, including the Independent Board Members, has determined that its Fund's Reorganization(s) would be in the best interests of its Fund and that the interests of the existing shareholders of such Fund would not be diluted as a result of such Reorganization(s). At a meeting held on February 4, 2016 (the February Meeting), the Boards approved the Reorganizations and recommended that shareholders of the respective Funds approve the Reorganizations.

Since the beginning of 2015, the Adviser has been evaluating the national municipal closed-end fund market and, in particular, its leveraged national municipal closed-end funds and their position in the market. As part of this broad initiative, the Adviser has proposed to restructure the product offerings of Nuveen's leveraged national municipal closed-end funds by creating fewer funds with greater scale and more clearly differentiated and competitive investment mandates. The Reorganizations were intended, among other things, to create a combined fund with significantly greater scale and to provide various benefits to shareholders as outlined in further detail below.

During the time leading up to the February Meeting, the Adviser made presentations, and the Boards received a variety of materials relating to the proposed Reorganizations, including the rationale therefor. Prior to approving the Reorganizations, the Independent Board Members reviewed the foregoing information with their independent legal counsel and with management, reviewed with independent legal counsel applicable law and their duties in considering such matters and met with independent legal counsel in private sessions without management present. The Boards considered a number of principal factors presented at the time of the February Meeting or at prior meetings in reaching their determinations, including the following:

the compatibility of the investment objectives, policies and related risks of the Acquiring Fund and the Target Funds;

the consistency of portfolio management;

the anticipated improved economies of scale and an additional breakpoint in the fund-level management fee schedule for the combined fund, creating the potential for lower operating expenses per common share (i.e., total expenses excluding the costs of leverage);

the potential for improved secondary market trading with respect to the common shares;

the anticipated federal income tax-free nature of the Reorganizations;

the expected costs of the Reorganizations;

the terms of the Reorganizations and whether the Reorganizations would dilute the interests of the shareholders of the Funds;

the effect of the Reorganizations on shareholder rights; and

any potential benefits of the Reorganizations to the Adviser and its affiliates as a result of the Reorganizations.

*Compatibility of Investment Objectives, Policies and Related Risks.* Based on the information presented, the Boards noted that the Acquiring Fund and the Target Funds are diversified closed-end funds. The Boards further noted that the investment objectives are similar except that the Acquiring Fund seeks current income exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals while each Target Fund seeks current income exempt from regular federal income tax only.

The Boards noted that, as of February 4, 2016, the Acquiring Fund and the Target Funds have non-fundamental investment policies permitting them to invest, under normal circumstances, up to 35% of their respective Managed Assets in securities rated, at the time of investment, below the three highest grades (Baa or BBB or lower) by at least one NRSRO, which includes below-investment-grade securities or unrated securities judged to be of comparable quality by the fund's Sub-Adviser. The Boards recognized that under this policy, the Acquiring Fund and the Target Funds are expected to increase their respective allocations to lower rated securities over time. In addition, the Boards recognized that the Target Funds currently can invest without limit in securities that generate income subject to the federal alternative minimum tax applicable to individuals. The Boards noted that the Acquiring Fund has a fundamental investment policy to invest, under normal circumstances, at least 80% of its Managed Assets in a portfolio of securities the income from which is exempt from both regular federal income tax and the federal alternative minimum tax applicable to individuals. The Board of the Acquiring Fund also noted that the Acquiring Fund has a non-fundamental policy of investing, under normal circumstances, 100% of its Managed Assets in securities that, at the time of investment, generate income exempt from the federal alternative minimum tax applicable to individuals.

Although the Acquiring Fund and the Target Funds invest exclusively in municipal securities and other investments the income from which is exempt from regular federal income tax, and therefore the principal risks are similar, the Boards recognized that each Target Fund is subject to alternative minimum tax risk, which is the risk that all or a portion of the fund's otherwise exempt-interest dividends may be taxable to those shareholders subject to the federal alternative minimum tax applicable to individuals. As a result of the Acquiring Fund's policies regarding the federal alternative minimum tax noted above, however, this risk is not a principal risk applicable to an investment in the Acquiring Fund.

In addition to evaluating the compatibility of the investment strategies and related risks, the Boards considered the portfolio composition of the Acquiring Fund and each Target Fund and the impact of the Reorganizations on each fund's portfolio, including the shifts in credit quality as well as any shifts in sector allocations, yield, leverage and leverage costs. The Boards also considered the relative performance of the Funds and the factors that may affect the future performance of the combined fund, including the secondary market trading of its shares. The Boards also recognized that each Fund utilizes leverage. If the Reorganizations are approved, the Boards considered that the Target Funds may sell portfolio securities prior to the closing of the Reorganizations. The Boards considered the potential for related gains and losses of such transactions.

In evaluating the Reorganizations and related proposals, the Boards considered the anticipated benefits that the Reorganizations were intended to provide to shareholders, including, among other things:

In evaluating the Reorganizations and related proposals, the Boards considered the anticipated benefits that the Reorganizations were intended to provide to shareholders, including, among other things:

The potential for higher common share net earnings over time from increased operating economies of scale, which may support higher distribution rates in the future and increase investor interest in the combined fund, and, in turn may lower the trading discount to net asset value of common shares;

Increased portfolio and leverage management flexibility due to a significantly larger asset base of the combined fund;

Improved secondary market trading for common shares as a result of the combined fund's greater share volume, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements; and

Lower fund operating expenses excluding the costs of leverage for all Funds, as certain fixed costs are spread over a larger asset base (however, total expenses including leverage are expected to be the same for Premium Income 2 and higher for the Acquiring Fund due to increased leverage).

*Consistency of Portfolio Management.* The Boards noted that each Fund has the same investment adviser and sub-adviser. Through the Reorganizations, the Boards recognized that shareholders will remain invested in a closed-end management investment company that will have the same investment adviser and sub-adviser and similar investment objectives and policies; however, unlike the Target Funds, the Acquiring Fund seeks to invest in securities that at the time of investment generate income exempt from the federal alternative minimum tax applicable to individuals.

*Anticipated Improved Economies of Scale and Additional Breakpoint in the Management Fee Schedule for the Combined Fund, Creating the Potential for Lower Operating Expenses.* The Boards considered the fees and expense ratios of each of the Funds (including estimated expenses of the combined fund following the Reorganizations). In connection with the Reorganization proposal, Nuveen Fund Advisors proposed and the Board of the Acquiring Fund approved an amended fund-level management fee schedule for the Acquiring Fund, to take effect in conjunction with the closing of the Reorganizations, that includes an additional breakpoint, providing for a lower effective fund-level management fee rate payable with respect to managed assets over \$5 billion, and standardizes the Acquiring Fund's Investment Management Agreement with the investment management agreements of Nuveen's newer municipal closed-end funds. The Boards recognized that the combined fund's effective management fee rate based on managed assets is expected to result in a lower effective management fee rate for the Acquiring Fund and each Target Fund. As a result of the economies of scale from the larger asset size of the combined fund after the Reorganizations, the Boards further noted that it was expected that the operating expenses per common share (i.e., total expenses excluding the costs of leverage) of the combined fund would be lower than those of the Acquiring Fund and each Target Fund prior to the closing of the Reorganizations. The Boards also considered the anticipated benefit to the Funds from the larger asset size as fixed costs are shared over a larger asset base. In addition, as each Fund utilizes leverage, the Boards considered the differences in the costs of leverage

among the Funds and the impact of the Reorganizations on such costs. In this regard, the Boards took into account the Adviser's position that the greater asset size of the combined fund may provide increased portfolio and leverage management flexibility.

*Potential for Improved Secondary Market Trading with Respect to the Common Shares.* While it is not possible to predict trading levels following the Reorganizations, the Boards noted that the Reorganizations are being proposed, in part, to seek to enhance the secondary trading market for the common shares of the Acquiring Fund and each Target Fund. The Boards considered that the combined fund's greater share volume may result in increased market liquidity after the Reorganizations, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements.

*Anticipated Tax-Free Reorganizations; Capital Loss Carryforwards.* The Reorganizations will be structured with the intention that they qualify as tax-free reorganizations for federal income tax purposes, and the Funds will obtain opinions of counsel substantially to this effect (based on certain factual representations and certain customary assumptions). In addition, the Boards considered the impact of the Reorganizations on any estimated capital loss carryforwards of the Funds and applicable limitations of federal income tax rules.

*Expected Costs of the Reorganizations.* The Boards considered the terms and conditions of the Agreement, including the estimated costs associated with the Reorganizations and the allocation of such costs among the Acquiring Fund and each Target Fund. The Boards also noted, however, that, assuming the Reorganizations are consummated, the Adviser anticipated that the projected costs of each Reorganization may be recovered over time for the common shareholders and that preferred shareholders will not bear any costs of the Reorganizations.

*Terms of the Reorganizations and Impact on Shareholders.* The terms of the Reorganizations are intended to avoid dilution of the interests of the existing shareholders of the Funds. In this regard, the Boards considered that each holder of common shares of a Target Fund will receive common shares of the Acquiring Fund (taking into account any fractional shares to which the shareholder would be entitled) equal in value as of the Valuation Time to the aggregate per share net asset value of that shareholder's Target Fund common shares held as of the Valuation Time. However, no fractional common shares of the Acquiring Fund will be distributed to a Target Fund's common shareholders in connection with the Reorganizations. In lieu of such fractional shares, the respective Target Fund's common shareholders will receive cash.

Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VMTP Shares or VRDP Shares, as applicable, having substantially identical terms (with respect to VMTP Shares) or substantially similar terms (with respect to VRDP Shares) as the outstanding preferred shares of the Target Fund held by such preferred shareholders immediately prior to the closing of the Reorganizations. The aggregate liquidation preference of the Acquiring Fund preferred shares received in connection with each Reorganization will equal the aggregate liquidation preference of the corresponding Target Fund preferred shares held immediately prior to the closing of the Reorganization.

*Effect on Shareholder Rights.* The Boards considered that the Acquiring Fund is organized as a Massachusetts business trust and each of the Target Funds is organized as a Minnesota corporation. In this regard, the Boards recognized that, unlike a Massachusetts business trust, many aspects of the corporate governance of a Minnesota corporation are prescribed by state statutory law. In addition, the Boards considered the differences between the structure of the Board of the Massachusetts Fund and that of the Boards of the Minnesota Funds.

*Potential Benefits to Nuveen Fund Advisors and Affiliates.* The Boards recognized that the Reorganizations may result in some benefits and economies of scale for the Adviser and its affiliates. These may include, for example, a reduction in the level of operational expenses incurred for administrative, compliance and portfolio management services as a result of the elimination of the Target Funds as separate funds in the Nuveen complex.

*Conclusion.* Each Board, including the Independent Board Members, approved the Reorganization(s) involving its Fund, concluding that such Reorganization(s) are in the best interests of its Fund and that the interests of existing shareholders of the Fund will not be diluted as a result of the Reorganization(s).

**Capitalization**

The following table sets forth the unaudited capitalization of the Funds as of October 31, 2015 and the pro-forma combined capitalization of the combined fund as if the Reorganizations had occurred on that date. The table reflects pro forma exchange ratios of approximately 1.08243127 common shares of the Acquiring Fund issued for each common share of Performance Plus, approximately 1.02543100 common shares of the Acquiring Fund issued for each common share of Market Opportunity and approximately 1.03464855 common shares of the Acquiring Fund issued for each common share of Premium Income 2. If the Reorganizations are consummated, the actual exchange ratios may vary.

	Acquiring Fund	Performance Plus	Market Opportunity	Premium Income 2	Pro Forma Adjustments	Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma <sup>(1)(5)</sup>
Variable Rate MuniFund Term Preferred (VMTP) Shares, \$100,000 stated value per share, at liquidation value; 1,510 shares outstanding for the Acquiring Fund; 5,350 shares outstanding for Performance Plus; and 6,860 shares outstanding for Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma	\$ 151,000,000	\$ 535,000,000	\$	\$	\$	\$ 686,000,000
Variable Rate Demand Preferred (VRDP) Shares, \$100,000 stated value per share, at liquidation value; 3,499 shares outstanding for the Acquiring Fund; 3,509 shares outstanding for Market Opportunity; 4,895 shares outstanding for Premium Income 2; and 11,903 shares outstanding for Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma	\$ 349,900,000	\$	\$ 350,900,000	\$ 489,500,000	\$	\$ 1,190,300,000

	Acquiring Fund	Performance Plus	Market Opportunity	Premium Income 2	Pro Forma Adjustments	Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma <sup>(1)(5)</sup>
<b>Common Shareholders Equity:</b>						
Common Shares, \$0.01 par value per share; 78,883,061 shares outstanding for the Acquiring Fund; 60,025,455 shares outstanding for Performance Plus; 45,874,035 shares outstanding for Market Opportunity; 70,692,851 shares outstanding for Premium Income 2; and 264,039,447 shares outstanding for Nuveen Enhanced AMT-Free Quality Municipal Income Fund Pro Forma	\$ 788,831	\$ 600,255	\$ 458,740	\$ 706,929	\$ 85,639 <sup>(2)</sup>	\$ 2,640,394
Paid-in surplus	1,072,511,115	835,747,414	636,049,537	995,888,680	(2,415,639) <sup>(3)</sup>	3,537,781,107
Undistributed (over-distribution of) net investment income	1,728,735	10,276,627	2,732,369	5,646,844	(10,589,909) <sup>(4)</sup>	9,794,666
Accumulated net realized gain (loss)	(19,510,799)	(17,353,924)	(27,986,452)	(28,774,955)		(93,626,130)
Net unrealized appreciation (depreciation)	113,329,027	139,862,853	86,497,921	113,802,447		453,492,248
<b>Net assets attributable to common shares</b>	<b>\$ 1,168,846,909</b>	<b>\$ 969,133,225</b>	<b>\$ 697,752,115</b>	<b>\$ 1,087,269,945</b>	<b>\$ (12,919,909)</b>	<b>\$ 3,910,082,285</b>
Net asset value per common share outstanding (net assets attributable to common shares, divided by common shares outstanding)	\$ 14.82	\$ 16.15	\$ 15.21	\$ 15.38		\$ 14.81
<b>Authorized shares:</b>						
Common	Unlimited	200,000,000	200,000,000	200,000,000		Unlimited
Preferred	Unlimited	1,000,000	1,000,000	1,000,000		Unlimited

- (1) The pro forma balances are presented as if the Reorganizations were effective as of October 31, 2015, and are presented for informational purposes only. The actual Closing Date of the Reorganizations is expected to be on or about July 11, 2016, or such later time agreed to by the parties at which time the results would be reflective of the actual composition of shareholders' equity as of that date. All pro forma adjustments are directly attributable to the Reorganizations.

- (2) Assumes the issuance of 64,973,603, 47,040,695 and 73,142,088 Acquiring Fund common shares in exchange for the net assets of Performance Plus, Market Opportunity and Premium Income 2, respectively. These numbers are based on the net asset value of the Acquiring Fund and Target Funds as of October 31, 2015, adjusted for estimated Reorganization costs and the effect of distributions.
- (3) Includes the impact of estimated total Reorganization costs of \$2,330,000, which are currently expected to be borne by the Acquiring Fund, Performance Plus, Market Opportunity and Premium Income 2 in the amounts of \$690,000, \$575,5000, \$435,000 and \$630,000, respectively.
- (4) Assumes Performance Plus, Market Opportunity and Premium Income 2 make net investment income distributions of \$6,383,633, \$705,570 and \$3,500,706, respectively.
- (5) Following the closing of the Reorganizations, the Acquiring Fund will change its name to Nuveen Enhanced AMT-Free Quality Municipal Income Fund.

**Expenses Associated with the Reorganizations**

In evaluating the Reorganizations, management of the Funds estimated the amount of expenses the Funds would incur to be approximately \$2,330,000, which includes additional stock exchange listing fees, SEC registration fees, legal and accounting fees, proxy solicitation and distribution costs and other related administrative or operational costs. The expenses of the Reorganizations (whether or not consummated) will be allocated among the Funds ratably based on the relative expected benefits of the Reorganizations comprised of forecasted operating cost savings (i.e., total expenses excluding the costs of leverage) and improved secondary market trading, if any, to each Fund during the first year following the Reorganizations. Reorganization expenses have been or will be accrued as expenses of each Fund prior to the Valuation Time. Reorganization expenses have been or will be reflected in each Fund's net asset value at or before the close of trading on the business day immediately prior to the close of the Reorganizations. These estimated expenses are currently expected to be borne by the Acquiring Fund, Performance Plus, Market Opportunity and Premium Income 2 in the amounts of \$690,000 (0.06%), \$575,000 (0.06%), \$435,000 (0.06%) and \$630,000 (0.06%), respectively (all percentages are based on average net assets applicable to common shares for the twelve (12) months ended October 31, 2015). Preferred shareholders of the Funds will not bear any costs of the Reorganizations.

Additional solicitation may be made by letter or telephone