

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

NUVEEN MUNICIPAL VALUE FUND INC  
Form DEF 14A  
June 16, 2003

SCHEDULE 14A  
(RULE 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

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 Rule 14a-11(c) or Rule 14a-12.

NUVEEN MUNICIPAL VALUE FUND, INC.(NUV)

-----  
(Name of Registrant as Specified in Its Charter)

-----  
(Name of Person(s) Filing Proxy Statement if Other Than the Registrant)

Payment of filing fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and  
0-11.

(1) Title of each class of securities to which transaction applies:  
-----

(2) Aggregate number of securities to which transaction applies:  
-----

(3) Per unit price or other underlying value of transaction computed  
pursuant to Exchange Act Rule 0-11 (set forth the amount on which the  
filing fee is calculated and state how it was determined):  
-----

(4) Proposed maximum aggregate value of transaction:  
-----

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

(5) Total fee paid:

-----  
[ ] Fee paid previously with preliminary materials.  
-----

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount Previously Paid:

-----  
(2) Form, Schedule or Registration Statement No.:

-----  
(3) Filing Party:

-----  
(4) Date Filed:  
-----

IMPORTANT NOTICE

TO NUVEEN FUND SHAREHOLDERS

JULY 28, 2003

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 THIS JOINT PROXY STATEMENT?

A. Closed-end investment companies listed on the New York Stock Exchange such as your Fund are required to hold annual meetings to approve the election of Directors. In addition, such companies are required to obtain shareholder approval for certain changes to their investment policies. Your Fund is seeking shareholder approval on the following items:

1. To elect directors to serve on the Board of Directors.
2. To approve changes to certain fundamental investment policies.

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

3. To approve an Agreement and Plan of Reorganization and Liquidation to reorganize the Fund into a newly created Massachusetts business trust.

Please refer to the Joint Proxy Statement for a detailed explanation of the proposed items.

### Q. WHY ARE INDIVIDUALS RECOMMENDED FOR ELECTION TO THE BOARD OF DIRECTORS?

- A. Currently, two separate board clusters oversee the funds in the Nuveen family of funds. One board cluster comprised of the same board members oversees the funds managed by Nuveen Advisory Corp. and one board cluster comprised of the same board members oversees all but one of the funds managed by Nuveen Institutional Advisory Corp. (the "Adviser"). The Board of your Fund has proposed to consolidate both board clusters into a single board cluster so that the same individuals serve on the boards of most Nuveen funds.

Your Board believes that the consolidation of board clusters will have the following advantages:

- the consolidation will avoid the need to add new board members to each board cluster at various later dates to maintain the current size and structure of each board cluster and thereby avoid the costs associated with multiple meetings to fill such vacancies;
- the consolidation ensures that each Fund will gain new board members that are already knowledgeable about Nuveen and investment companies in general;
- the consolidation would reduce the duplication of board materials and reports covering the same issues and would avoid the need for repeated presentation of the same material by the same personnel at different meetings;
- reducing the administrative burden allows the Adviser and its personnel to focus on non-administrative matters; and
- a single board cluster overseeing all operations of the Nuveen family of funds will have a better picture of all issues facing shareholders.

### Q. WHICH FUNDAMENTAL INVESTMENT POLICIES ARE CHANGING?

- A. Your Board has proposed to amend your Fund's fundamental investment policies relating to borrowing and lending in connection with the implementation of a proposed interfund lending program.

### Q. WHY IS THE FUND PROPOSING TO CHANGE ITS FUNDAMENTAL INVESTMENT POLICIES?

- A. In connection with disaster recovery planning and to provide liquidity in

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

the event that open-end funds in the Nuveen family of funds encounter higher than normal redemption requests that may follow a national disaster such as the events of September 11, 2001, your Board has authorized the Fund's participation in an interfund lending program that would allow the Nuveen Funds, including your Fund, to lend and borrow cash for temporary purposes directly to and from each other. The proposed new fundamental investment policies will enable your Fund to participate in this interfund lending program.

### Q. WHAT IS THE PURPOSE OF THE REORGANIZATION?

- A. The purpose of the reorganization is for each Fund, currently organized as a Minnesota corporation (each, a "Minnesota Fund"), to reorganize (each, a "Reorganization") into a newly created Massachusetts business trust (each, a "Massachusetts Fund"). This type of reorganization may be referred to as a "change in domicile reorganization."

The Board of each Fund believes that each Reorganization will achieve the following advantages:

- create savings and operating efficiencies by realizing economies of scale through increased standardization of documents among the Nuveen family of funds, most of which are organized as Massachusetts business trusts;
- lower expenses through economies of scale associated with compliance by the Nuveen family of funds with Massachusetts law only, rather than both Minnesota and Massachusetts law;
- reducing such administrative burdens will allow the Adviser and its personnel to focus more on non-administrative matters;
- create flexibility in conducting its business as a closed-end investment company. For example, under each Fund's interpretation of Minnesota law, the Board of the Fund does not have the authority, without shareholder approval, to (a) increase the number of authorized shares of an existing series of MuniPreferred or (b) make amendments to certain rating agency definitions in the Fund's Statement Establishing and Fixing the Rights and Preferences of MuniPreferred. However, a Massachusetts business trust may provide for the flexibility to take these actions without the time and expense of obtaining shareholder approval.

### Q. HOW DO THE DIRECTORS OF MY FUND SUGGEST THAT I VOTE?

- A. After careful consideration, the trustees of your Fund unanimously recommend that you vote "FOR" each of the items proposed.

### Q. WILL MY VOTE MAKE A DIFFERENCE?

- A. Your vote is needed to ensure that the proposals can be acted upon. Additionally, your immediate response to these items will help save on the costs of any future solicitations for a shareholder vote. We encourage all shareholders to participate in the governance of their Fund.

### Q. WHO DO I CALL IF I HAVE QUESTIONS?

- A. If you need any assistance, or have any questions regarding the proposals or how to vote your shares, please call your financial advisor or call

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Nuveen at (800) 257-8787 weekdays from 7:00 a.m. to 7:00 p.m. Central time.

### Q. HOW DO I VOTE MY SHARES?

A. You can vote your shares by completing and signing the enclosed proxy card, and mailing it in the enclosed postage-paid envelope. In addition, you may vote by telephone by calling the toll-free number on the proxy card or by computer over the internet (www.proxyvote.com) and using the control number on the proxy card.

### Q. WILL ANYONE CONTACT ME?

A. You may receive a call to verify that you received your proxy materials, to answer any questions you may have about the proposals and to encourage you to vote.

NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS  
JULY 28, 2003

333 West Wacker Drive  
Chicago, Illinois 60606  
(800) 257-8787

NUVEEN MUNICIPAL VALUE FUND, INC. (NUV)  
NUVEEN MUNICIPAL INCOME FUND, INC. (NMI)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND, INC. (NPI)  
NUVEEN PERFORMANCE PLUS MUNICIPAL FUND, INC. (NPP)  
NUVEEN MUNICIPAL ADVANTAGE FUND, INC. (NMA)  
NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO)  
NUVEEN INVESTMENT QUALITY MUNICIPAL FUND, INC. (NQM)  
NUVEEN INSURED QUALITY MUNICIPAL FUND, INC. (NQI)  
NUVEEN SELECT QUALITY MUNICIPAL FUND, INC. (NQS)  
NUVEEN QUALITY INCOME MUNICIPAL FUND, INC. (NQU)  
NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC. (NIO)  
NUVEEN PREMIER MUNICIPAL INCOME FUND, INC. (NPF)  
NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC. (NIF)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (NPM)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND 4, INC. (NPT)

JUNE 17, 2003

TO THE SHAREHOLDERS OF THE ABOVE FUNDS:

Notice is hereby given that the Annual Meeting of Shareholders of each of Nuveen Municipal Value Fund, Inc. ("Municipal Value"), Nuveen Municipal Income Fund, Inc. ("Municipal Income"), Nuveen Premium Income Municipal Fund, Inc., Nuveen Performance Plus Municipal Fund, Inc., Nuveen Municipal Advantage Fund, Inc., Nuveen Municipal Market Opportunity Fund, Inc., Nuveen Investment Quality Municipal Fund, Inc., Nuveen Insured Quality Municipal Fund, Inc., Nuveen Select Quality Municipal Fund, Inc., Nuveen Quality Income Municipal Fund, Inc., Nuveen Insured Municipal Opportunity Fund, Inc., Nuveen Premier Municipal Income Fund, Inc., Nuveen Premier Insured Municipal Income Fund, Inc., Nuveen Premium Income Municipal Fund 2, Inc., and Nuveen Premium Income Municipal Fund 4, Inc., each a Minnesota corporation (individually, a "Fund" and collectively, the "Funds"), will be held in the Sixth Floor auditorium of the Northern Trust Company, 50 South LaSalle Street, Chicago, Illinois, on Monday, July 28, 2003, at 10:30 a.m., Chicago time, for the following purposes and to transact such other business, if any, as may properly come before the Annual Meeting:

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

### MATTERS TO BE VOTED ON BY SHAREHOLDERS:

1. To elect Members to the Board of Directors (each a "Board" and each Director a "Board Member") of each Fund as outlined below:

a. For each Fund except Municipal Value and Municipal Income, to elect twelve (12) Board Members to serve until the next Annual Meeting and until their successors shall have been duly elected and qualified:

i) ten (10) Board Members to be elected by the holders of Common Shares and Municipal Auction Rate Cumulative Preferred Stock ("MuniPreferred"), voting together as a single class; and

ii) two (2) Board Members to be elected by the holders of MuniPreferred only, voting separately as a single class.

b. For Municipal Value and Municipal Income, to elect eight (8) Board Members for multiple year terms or until their successors shall have been duly elected and qualified.

2. To approve changes to each Fund's fundamental investment policies.

3. To approve an Agreement and Plan of Reorganization and Liquidation and the transactions contemplated thereby, the net effect of which would be to reorganize each Fund into a newly created Massachusetts business trust.

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

Shareholders of record at the close of business on May 29, 2003 are entitled to notice of and to vote at the Annual Meeting.

As more fully described in the accompanying Joint Proxy Statement, shareholders of each Fund who do not vote to approve the Agreement and Plan of Reorganization and Liquidation and who comply with certain other requirements of Minnesota law may, as an alternative to receiving the consideration specified in the Agreement and Plan of Reorganization and Liquidation, dissent from the transactions provided for therein and obtain the payment in cash of the "fair value" of their shares, as defined under Minnesota law. The full text of Minnesota Statutes, Sections 302A.471 and 302A.473, which set forth the procedures to be followed by shareholders who choose to dissent under Minnesota law, is included as Appendix C to the Joint Proxy Statement and should be read in its entirety.

ALL SHAREHOLDERS ARE CORDIALLY INVITED TO ATTEND THE MEETING. IN ORDER TO AVOID DELAY AND ADDITIONAL EXPENSE TO YOUR FUND, AND TO ASSURE THAT YOUR SHARES ARE REPRESENTED, PLEASE VOTE AS PROMPTLY AS POSSIBLE, WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING. YOU MAY VOTE BY MAIL, 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, ENTER THE CONTROL NUMBER PROVIDED ON YOUR PROXY CARD, AND FOLLOW THE RECORDED INSTRUCTIONS, USING YOUR PROXY CARD AS A GUIDE. TO VOTE OVER THE INTERNET, GO TO WWW.PROXYVOTE.COM, ENTER THE CONTROL NUMBER PROVIDED ON THE PROXY CARD, AND FOLLOW THE INSTRUCTIONS, USING YOUR PROXY CARD AS A GUIDE.

# Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Jessica R. Droeger  
Vice President and Secretary

JOINT PROXY STATEMENT

333 West Wacker Drive  
Chicago, Illinois 60606  
(800) 257-8787

June 17, 2003

NUVEEN MUNICIPAL VALUE FUND, INC. (NUV)  
NUVEEN MUNICIPAL INCOME FUND, INC. (NMI)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND, INC. (NPI)  
NUVEEN PERFORMANCE PLUS MUNICIPAL FUND, INC. (NPP)  
NUVEEN MUNICIPAL ADVANTAGE FUND, INC. (NMA)  
NUVEEN MUNICIPAL MARKET OPPORTUNITY FUND, INC. (NMO)  
NUVEEN INVESTMENT QUALITY MUNICIPAL FUND, INC. (NQM)  
NUVEEN INSURED QUALITY MUNICIPAL FUND, INC. (NQI)  
NUVEEN SELECT QUALITY MUNICIPAL FUND, INC. (NQS)  
NUVEEN QUALITY INCOME MUNICIPAL FUND, INC. (NQU)  
NUVEEN INSURED MUNICIPAL OPPORTUNITY FUND, INC. (NIO)  
NUVEEN PREMIER MUNICIPAL INCOME FUND, INC. (NPF)  
NUVEEN PREMIER INSURED MUNICIPAL INCOME FUND, INC. (NIF)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND 2, INC. (NPM)  
NUVEEN PREMIUM INCOME MUNICIPAL FUND 4, INC. (NPT)

## GENERAL INFORMATION

This Joint Proxy Statement is furnished in connection with the solicitation by the Board of Directors (each a "Board" and collectively, the "Boards," and each Director a "Board Member" and collectively, the "Board Members") of each of Nuveen Municipal Value Fund, Inc. ("Municipal Value"), Nuveen Municipal Income Fund, Inc. ("Municipal Income"), Nuveen Premium Income Municipal Fund, Inc. ("Premium Income"), Nuveen Performance Plus Municipal Fund, Inc. ("Performance Plus"), Nuveen Municipal Advantage Fund, Inc. ("Municipal Advantage"), Nuveen Municipal Market Opportunity Fund, Inc. ("Municipal Market Opportunity"), Nuveen Investment Quality Municipal Fund, Inc. ("Investment Quality"), Nuveen Insured Quality Municipal Fund, Inc. ("Insured Quality"), Nuveen Select Quality Municipal Fund, Inc. ("Select Quality"), Nuveen Quality Income Municipal Fund, Inc. ("Quality Income"), Nuveen Insured Municipal Opportunity Fund, Inc. ("Insured Municipal Opportunity"), Nuveen Premier Municipal Income Fund, Inc. ("Premier Municipal"), Nuveen Premier Insured Municipal Income Fund, Inc. ("Premier Insured"), Nuveen Premium Income Municipal Fund 2, Inc. ("Premium Income 2") and Nuveen Premium Income Municipal Fund 4, Inc. ("Premium Income 4") (individually, a "Fund" and collectively, the "Funds"), of proxies to be voted at the Annual Meeting of Shareholders to be held on July 28, 2003 (for each Fund, an "Annual Meeting" and collectively, the "Annual Meetings"), and at any and all adjournments thereof.

On the matters coming before each Annual Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If no choice is so specified, the shares will be voted FOR the election of nominees as listed in this Joint Proxy Statement, FOR the changes to each Fund's fundamental investment policies and FOR the Agreement and Plan of Reorganization and Liquidation. Shareholders who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation,

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

by delivering a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

This Joint Proxy Statement is first being mailed to shareholders on or about June 17, 2003.

The Board of each Fund has determined that the use of this Joint Proxy Statement for each Annual Meeting is in the best interest of each Fund and its shareholders in light of the similar matters being considered and voted on by the shareholders.

The following table indicates which shareholders are solicited with respect to each matter:

MATTER	COMMON SHARES	MUNI- PREFERRED (1)
1a(i). Election of ten (10) Board Members by all shareholders (except Municipal Value and Municipal Income).	X	X
a(ii). Election of two (2) Board Members by MuniPreferred only (except Municipal Value and Municipal Income).		X
b. Election of eight (8) Board Members for Municipal Value and Municipal Income by all common shareholders.	X	N/A
2. Change in fundamental investment policies by all shareholders together as a single class and for all Funds except Municipal Value and Municipal Income by MuniPreferred shareholders as a separate class.	X	X
3. Approval of Agreement and Plan of Reorganization and Liquidation by all shareholders together as a single class and for all Funds except Municipal Value and Municipal Income by each series of MuniPreferred voting as a separate class.	X	X

(1) "MuniPreferred" means "Municipal Auction Rate Cumulative Preferred Stock."

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, except that for the election of the two Board Member nominees to be elected by holders of MuniPreferred of each Fund (except Municipal Income and Municipal Value), 33 1/3% of the MuniPreferred shares entitled to vote and represented in person or by proxy will constitute a quorum except that for Premium Income, a majority of the MuniPreferred shares entitled to vote and represented in person or by proxy will constitute a quorum. Votes cast by proxy or in person 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 (i) instructions have not been received from the beneficial owners or persons



Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

For each Fund abstentions and broker non-votes will have the effect of a vote against the election of Board Members, against the proposed changes to each Fund's fundamental investment policies and against the Agreement and Plan of Reorganization. The details of the proposals to be voted on by the shareholders and the vote required for approval of the proposals are set forth under the description of each proposal below.

Shares of MuniPreferred held in "street name" as to which voting instructions have not been received from the beneficial owners or persons entitled to vote as of one business day before the meeting, or, if adjourned, one business day before the day to which the meeting is adjourned, and that would otherwise be treated as "broker non-votes" may, pursuant to Rule 452 of the New York Stock Exchange, be voted by the broker on each item in the same proportion as the votes cast by all MuniPreferred shareholders as a class who have voted on that item or in the same proportion as the votes cast by all MuniPreferred shareholders of a series who have voted on that item. Rule 452 permits proportionate voting of MuniPreferred with respect to a particular item if, among other things, (i) a minimum of 30% of the shares of MuniPreferred or shares of a series of MuniPreferred outstanding has been voted by the holders of such shares with respect to such item and (ii) less than 10% of the shares of MuniPreferred or shares of a series of MuniPreferred outstanding has been voted by the holders of such shares against such item. 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.

Those persons who were shareholders of record at the close of business on May 29, 2003 will be entitled to one vote for each share held. As of May 29, 2003, the shares of the Funds were issued and outstanding as follows:

FUND	TICKER SYMBOL	COMMON SHARES	MUNIPREFERRED
Municipal Value	(NUV)	194,959,520	N/A
Municipal Income	(NMI)	8,105,722.20	N/A
Premium Income	(NPI)	63,785,430.99	3,800 Series M 2,000 Series M2 3,800 Series T 3,800 Series W 3,800 Series TH 3,800 Series F

TICKER

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

FUND	SYMBOL	COMMON SHARES	MUNIPREFERRED	
Performance Plus	(NPP)	59,914,073	4,000	Series M
			4,000	Series T
			4,000	Series W
			3,160	Series TH
			4,000	Series F
Municipal Advantage	(NMA)	42,980,333	3,000	Series M
			3,000	Series T
			3,000	Series W
			2,320	Series TH
			3,000	Series F

2

FUND	TICKER SYMBOL	COMMON SHARES	MUNIPREFERRED	
Municipal Market Opportunity	(NMO)	45,540,872	4,000	Series M
			4,000	Series T
			3,200	Series W
			4,000	Series F
Investment Quality	(NQM)	35,748,959	2,500	Series M
			2,500	Series T
			2,500	Series W
			2,040	Series TH
Insured Quality	(NQI)	37,964,142.06	2,500	Series F
			2,600	Series M
			2,600	Series T
			2,600	Series W
Select Quality	(NQS)	33,887,474	2,320	Series TH
			2,600	Series F
			2,000	Series M
			2,000	Series T
Quality Income	(NQU)	54,204,488	2,800	Series W
			3,000	Series M
			3,000	Series T
			3,000	Series W
Insured Municipal Opportunity	(NIO)	81,060,946	2,080	Series W2
			4,000	Series TH
			4,000	Series F
			3,000	Series M
			4,000	Series T
			4,000	Series W
			3,200	Series W2
			4,000	Series TH1
			4,000	Series TH2
			4,000	Series F

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

FUND	TICKER SYMBOL	COMMON SHARES	MUNIPREFERRED
Premier Municipal	(NPF)	20,091,018	1,000 Series M
			2,800 Series T
			2,800 Series TH
Premier Insured	(NIF)	19,352,459.99	840 Series W
			2,800 Series TH
			2,800 Series F
Premium Income 2	(NPM)	41,093,661	2,000 Series M
			3,000 Series T
			2,000 Series W
			3,000 Series TH
			2,000 Series F
			1,880 Series F2
Premium Income 4	(NPT)	43,236,703	2,200 Series M
			2,000 Series T
			1,328 Series T2
			1,680 Series W
			520 Series W2
			2,680 Series TH
			1,800 Series F
1,328 Series F2			

\* The common shares of all the Funds are listed on the New York Stock Exchange.

1. ELECTION OF BOARD MEMBERS OF EACH FUND

GENERAL

Currently, two separate board clusters oversee the funds in the Nuveen family of funds. One board cluster comprised of the same board members oversees the funds managed by Nuveen Advisory Corp. ("NAC" or the "Adviser") and one board cluster comprised of the same board members oversees all but one of the funds managed by Nuveen Institutional Advisory Corp. ("NIAC"). Each current board cluster has a total of six board members who are not "interested persons" (as that term is defined in the Investment Company Act of 1940, as amended (the "1940 Act")) and who are not affiliated with Nuveen or a fund's investment adviser (the "Independent Board Members") and one board member who is an "interested person." Below is a list of board members of each board cluster.

The Boards of each Fund have proposed to consolidate both board clusters into a single board cluster so that the same individuals serve on the boards of most of the Nuveen funds. All individuals serving on both board clusters are nominated to serve on the combined board except James E. Bacon, who is retiring. Mr. Bacon currently serves as a Board Member on the NIAC board cluster.

The following is a list of the nominees under the proposal who are continuing Board Members of each Fund and the nominees who are new board members:

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

-----  
CONTINUING BOARD MEMBERS (NAC BOARD CLUSTER):

NEW BOARD MEMBER NOMINEES (NIAC BOARD C

-----  
Timothy R. Schwertfeger\*  
Robert P. Bremner  
Lawrence H. Brown  
Anne E. Impellizzeri  
Peter R. Sawers  
William J. Schneider  
Judith M. Stockdale  
-----

William E. Bennett  
Jack B. Evans  
William L. Kissick  
Thomas E. Leafstrand  
Sheila W. Wellington  
-----

\* Interested person. Mr. Schwertfeger currently serves on both board clusters.

In part, the proposal to create a single board is being recommended because of the large number of retirements that will occur over the next few years. Within two years, the aggregate number of Independent Board Members that serve on both board clusters (currently 12) is expected to fall to six, due to a number of retirements because of age and/or tenure limitations for board membership. Combining the board will avoid the need to add new board members to each board cluster at various later dates to maintain the current size and structure of each board cluster and thereby avoid the costs associated with multiple meetings to fill such vacancies. In addition, combining the board ensures that each Fund will gain new board members that are already knowledgeable about Nuveen and investment companies in general.

Historically, the two separate board clusters have had separate meetings but often have reviewed similar policy issues, contractual arrangements and other matters. Among other potential efficiencies, the Board of each Fund believes that consolidating the board clusters into one board would reduce the duplication of board materials and reports covering the same issues and would avoid the need for repeated presentation of the same material by the same personnel at different meetings. This would permit the Adviser and its personnel to focus on non-administrative matters. In addition, a single board overseeing all operations of the Nuveen family of funds will have a better picture of all issues facing shareholders.

At its May 15, 2003 meeting, each board cluster reviewed the compensation paid to Independent Board Members and determined that compensation should be increased because of the expanded responsibilities of the Board Members due to (a) the increase in the number and types of investment companies overseen by the Board Members and (b) recent additional legal and regulatory requirements. Effective July 1, 2003, for all Nuveen Funds overseen, Independent Board Members will receive a \$65,000 annual retainer plus (a) a fee of \$2,000 per day for attendance in person or by telephone at a regularly scheduled meeting of the Board; (b) a fee of \$1,000 per day for attendance in person where such in-person attendance is required and \$500 per day for attendance by telephone or in person where in-person attendance is not required at a special, non-regularly scheduled, board meeting; (c) a fee of \$1,000 per day for attendance in person at an Audit Committee meeting where in-person attendance is required and \$500 per day for attendance by telephone or in person where in-person attendance is not required; (d) a fee of \$500 per day for attendance in person or by telephone for a meeting of the dividend committee; and (e) a fee of \$500 per day for attendance in person at all other committee meetings on a day on which no regularly scheduled Board meeting is held in which in-person attendance is

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

required and \$250 per day for attendance by telephone or in person at such meetings where in-person attendance is not required, plus, in each case, expenses incurred in attending such meetings. Compensation to the Independent Board Members is allocated among the Nuveen family of funds based on assets per fund. The Boards do not anticipate any further change in the compensation schedule as a result of the board consolidation.

Currently, for all Nuveen Funds overseen, the continuing Independent Board Members of the Funds receive a \$60,000 annual retainer for serving as a board member and a \$1,750 fee per day plus expenses for attendance in person or by telephone at all meetings (including any committee meetings) held on a day on which a regularly scheduled Board meeting is held, a \$1,000 fee per day plus expenses for attendance in person or a \$500 fee per day plus expenses for attendance by telephone at all meetings (including any committee meetings) held on a day on which no regular Board meeting is held, and a \$500 per day fee per day plus expenses for attendance in person or \$250 if by telephone at a meeting of any committee.

The proposal to combine boards, which increases the number of Board Members for each Fund, will increase the total compensation paid by each Fund to Board Members. Management, however, believes that such increase in compensation is not material to each Fund and is justified by the benefits to each Fund and its shareholders. Moreover, as the size of the combined board declines due to retirements over the next two years, the total compensation paid by a Fund to Independent Board Members will decrease to the extent fewer board members will be compensated.

At each Fund's Annual Meeting (except Municipal Value and Municipal Income), twelve (12) Board Members are nominated to be elected to serve until the next Annual Meeting or until their successors shall have been duly elected and qualified. Under the terms of each Fund's organizational documents (except Municipal Value and Municipal Income), under normal circumstances holders of MuniPreferred are entitled to elect two (2) Board Members, and the remaining Board Members are to be elected by holders of Common Shares and MuniPreferred, voting together as a single class. Pursuant to the organizational documents of Municipal Value and Municipal Income, the Board is divided into three classes, with each class

4

being elected to serve a term of three years. For each of Municipal Value and Municipal Income, eight (8) Board Members are nominated to be elected at this meeting to serve for multiple year terms.

A. FOR PREMIUM INCOME, PERFORMANCE PLUS, MUNICIPAL ADVANTAGE, MUNICIPAL MARKET OPPORTUNITY, INVESTMENT QUALITY, INSURED QUALITY, SELECT QUALITY, QUALITY INCOME, INSURED MUNICIPAL OPPORTUNITY, PREMIER MUNICIPAL, PREMIER INSURED, PREMIER INCOME 2 AND PREMIUM INCOME 4:

- (i) Ten (10) Board Members are to be elected by holders of Common Shares and MuniPreferred, voting together as a single class. Board Members Bremner, Brown, Impellizzeri, Sawers and Stockdale and Messrs.

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Bennett, Evans, Kissick and Leafstrand and Ms. Wellington are nominees for election by all shareholders.

- (ii) Holders of MuniPreferred, each series voting together as a single class, are entitled to elect two (2) of the Board Members. Board Members Schneider and Schwertfeger are nominees for election by holders of MuniPreferred.

B. FOR MUNICIPAL VALUE AND MUNICIPAL INCOME: The Boards of Municipal Value and Municipal Income have designated, Robert P. Bremner, William J. Schneider, Judith M. Stockdale and Jack B. Evans as Class III and Class II Board Members, respectively, and as nominees for Board Members for a term expiring at the Annual Meeting of shareholders in 2006, and until their successors have been duly elected and qualified; William E. Bennett and Thomas E. Leafstrand as Class II and Class I Board Members, respectively, and as nominees for Board Members for a term expiring at the Annual Meeting of shareholders in 2005 and until their successors have been duly elected and qualified; and William L. Kissick and Sheila W. Wellington as Class I and Class III Board Members, respectively, and as nominees for Board Members for a term expiring at the Annual Meeting of shareholders in 2004, and until their successors have been duly elected and qualified. The remaining Board Members Brown, Impellizzeri, Sawers, and Schwertfeger are current and continuing Board Members. The Boards of Municipal Value and Municipal Income have designated Board Members Brown, Sawers and Schwertfeger as continuing Class I and Class III Board Members, respectively, for terms that expire in 2004. The Boards of Municipal Value and Municipal Income have designated Board Member Impellizzeri as a continuing Class II and Class I Board Member, respectively, for a term that expires in 2005.

For each Fund, the affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting will be required to elect the Board Members of that Fund.

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 below unless the proxy is marked otherwise. Each of the nominees has agreed to serve as a Board Member of each Fund 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 that Fund's present Board.

All of the continuing Board Member nominees (except for Municipal Value and Municipal Income) were last elected to the Board at the 2002 annual meeting of shareholders. Anne E. Impellizzeri was last elected to the Board for Municipal Value and Municipal Income at the 2002 annual meeting of shareholders. Timothy R. Schwertfeger, Lawrence H. Brown and Peter R. Sawers were last elected to the Board for Municipal Value and Municipal Income at the 2001 annual meeting of shareholders. Robert P. Bremner, William J. Schneider and Judith M. Stockdale were last elected to the Board for Municipal Value and Municipal Income at the 2000 annual meeting.

Other than Mr. Schwertfeger, none of the Board Member nominees have ever been a director or an employee of Nuveen Investments, Inc. ("Nuveen") or any affiliate.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE ELECTION OF THE NOMINEES NAMED BELOW.

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

5

BOARD NOMINEES

---

NAME, ADDRESS AND BIRTH DATE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED**	PRINCIPAL DUR
---------------------------------	----------------------------------	--	------------------

---

Nominees who are not interested persons of the Funds

---

Continuing Board Members

Robert P. Bremner 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	Board Member	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and Municipal Value: 2006 Length of Service: Since 1996	Private Investor and Consultant.
Lawrence H. Brown 333 West Wacker Drive Chicago, IL 60606 (7/29/34)	Board Member	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and Municipal Value: 2004 Length of Service: Since 1993	Retired (August 1989) President of The North Company; Director of of Highland Park-High 2002).
Anne E. Impellizzeri 333 West Wacker Drive Chicago, IL 60606 (1/26/33)	Board Member	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and Municipal Value: 2005 Length of Service: Since 1994	Retired; formerly, Ex (1998-2001) of Manito Wright Design Center; President and Chief E of Blanton-Peale Inst thereto, Vice Preside Life Insurance Co.
Peter R. Sawers 333 West Wacker Drive Chicago, IL 60606 (4/3/33)	Board Member	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and Municipal Value: 2004 Length of Service: Since 1991	Adjunct Professor of Economics, University Iowa; formerly (1991- Professor, Lake Fores School of Management, Illinois; Director, E Corps of Chicago; pri Executive Director, T Australia, a manage firm; Chartered Finan Certified Management
William J. Schneider 333 West Wacker Drive Chicago, IL 60606 (9/24/44)	Board Member	Term: Annual (for all Funds except Municipal Income and	Senior Partner and Ch Officer, Miller-Valen President, Miller- Va

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Municipal Value)  
Municipal Income and  
Municipal Value: 2006  
Length of Service:  
Since 1996

a development and con  
Chair, Miami Valley H  
Miami Valley Economic  
Coalition; formerly,  
Community Advisory Bo  
City Bank, Dayton, Oh  
Advisory Council, Cle  
Reserve Bank.

NAME, ADDRESS AND BIRTH DATE	OTHER DIRECTORSHIPS HELD BY BOARD MEMBER
---------------------------------	--

Nominees who are not interested  
persons of the Funds

Continuing Board Members

Robert P. Bremner 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	N/A
Lawrence H. Brown 333 West Wacker Drive Chicago, IL 60606 (7/29/34)	N/A
Anne E. Impellizzeri 333 West Wacker Drive Chicago, IL 60606 (1/26/33)	N/A
Peter R. Sawers 333 West Wacker Drive Chicago, IL 60606 (4/3/33)	N/A
William J. Schneider 333 West Wacker Drive Chicago, IL 60606 (9/24/44)	N/A

6

NAME, ADDRESS AND BIRTH DATE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED**	PRINCIPAL DUR
Judith M. Stockdale 333 West Wacker Drive Chicago, IL 60606 (12/29/47)	Board Member	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and	Executive Director, G Dorothy Donnelley Fou 1994); prior thereto, Director, Great Lakes (from 1990 to 1994).



Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Municipal Value: 2006  
 Length of Service:  
 Since 1997

New Board Members

William E. Bennett  
 333 West Wacker Drive  
 Chicago, IL 60606 (10/16/46)

Nominee

Term: Annual (for all  
 Funds except  
 Municipal Income and  
 Municipal Value)  
 Municipal Income and  
 Municipal Value: 2005  
 Length of Service:  
 Since 2001

Private Investor; pre  
 President and C.E.O.,  
 Kramer, Inc. (1995-19

Jack B. Evans  
 333 West Wacker Drive  
 Chicago, IL 60606 (10/22/48)

Nominee

Term: Annual (for all  
 Funds except  
 Municipal Income and  
 Municipal Value)  
 Municipal Income and  
 Municipal Value: 2006  
 Length of Service:  
 Since 1999

President, The Hall-P  
 Foundation (a private  
 corporation); Directo  
 Energy; Director and  
 United Fire & Casualt  
 Director, Federal Res  
 Chicago; previously P  
 Chief Operating Offic  
 Financial Group, Inc.  
 financial services fi

William L. Kissick  
 333 West Wacker Drive  
 Chicago, IL 60606 (7/29/32)

Nominee

Term: Annual (for all  
 Funds except  
 Municipal Income and  
 Municipal Value)  
 Municipal Income and  
 Municipal Value: 2004  
 Length of Service:  
 Since 1992

Professor Emeritus, S  
 Medicine and the Whar  
 Management and former  
 Leonard Davis Institut  
 Economics, University  
 Pennsylvania; Adjunct  
 Health Policy and Man  
 University.

Thomas E. Leafstrand  
 333 West Wacker Drive  
 Chicago, IL 60606 (11/11/31)

Nominee

Term: Annual (for all  
 Funds except  
 Municipal Income and  
 Municipal Value)  
 Municipal Income and  
 Municipal Value: 2005  
 Length of Service:  
 Since 1992

Retired; previously,  
 in charge of Municipa  
 Trading, and Dealer S  
 Northern Trust Compan

Sheila W. Wellington  
 333 West Wacker Drive  
 Chicago, IL 60606 (2/24/32)

Nominee

Term: Annual (for all  
 Funds except  
 Municipal Income and  
 Municipal Value)  
 Municipal Income and  
 Municipal Value: 2004  
 Length of Service:  
 Since 1994

President of Catalyst  
 not-for-profit organi  
 on women's leadership  
 business and the prof

NAME, ADDRESS AND BIRTH DATE	OTHER DIRECTORSHIPS HELD BY BOARD MEMBER
---------------------------------	--

Judith M. Stockdale  
 333 West Wacker Drive  
 Chicago, IL 60606 (12/29/47)  
 New Board Members

N/A

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

-----

William E. Bennett	N/A
333 West Wacker Drive	
Chicago, IL 60606 (10/16/46)	
Jack B. Evans	See
333 West Wacker Drive	Principal
Chicago, IL 60606 (10/22/48)	Occupation
	description.
William L. Kissick	N/A
333 West Wacker Drive	
Chicago, IL 60606 (7/29/32)	
Thomas E. Leafstrand	N/A
333 West Wacker Drive	
Chicago, IL 60606 (11/11/31)	
Sheila W. Wellington	N/A
333 West Wacker Drive	
Chicago, IL 60606 (2/24/32)	

7

-----

NAME, ADDRESS AND BIRTH DATE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED**	PRINCIPAL DUR
---------------------------------	----------------------------------	--	------------------

-----

Nominee who is an interested person\* of the Funds

Timothy R. Schwertfeger 333 West Wacker Drive Chicago, IL 60606 (3/28/49)	Chairman of the Board and Director	Term: Annual (for all Funds except Municipal Income and Municipal Value) Municipal Income and Municipal Value: 2004 Length of Service: Since 1996	Chairman and Director Nuveen Investments, I Investments, LLC; Dir 1992) and Chairman (s Nuveen Advisory Corp. Institutional Advisor Chairman and Director Nuveen Asset Manageme Director (since 1996) Institutional Capital Chairman and Director Rittenhouse Asset Man Chairman of Nuveen In Advisers Inc. (since
---	---	--	---

-----

-----

NAME, ADDRESS AND BIRTH DATE	OTHER DIRECTORSHIPS HELD BY BOARD MEMBER
---------------------------------	--

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Nominee who is an interested person\* of the Funds

-----  
 Timothy R. Schwertfeger                      See Principal  
 333 West Wacker Drive                      Occupation  
 Chicago, IL 60606 (3/28/49)                description.  
 -----

\* "Interested Person" as defined in the Investment Company Act of 1940, as amended, by reason of being an officer and director of the Fund's Adviser.

\*\* Length of Service indicates the year in which the individual becomes a Trustee or Director of a fund in the Nuveen fund complex.

8

BENEFICIAL OWNERSHIP

The following table lists the dollar range of equity securities beneficially owned by each Board Member nominee in each Fund and in all Nuveen Funds overseen by the Board Member nominee as of March 31, 2003:

DOLLAR RANGE OF EQUITY SECURITIES

BOARD MEMBER NOMINEES	MUNICIPAL VALUE	MUNICIPAL INCOME	PREMIUM INCOME	PERFORMANCE PLUS	MUNICIPAL ADVANTAGE	MUNICIPAL OPPORTUNITY
Robert P. Bremner	0	0	0	0	0	
Lawrence H. Brown	\$10,001-\$50,000	0	\$10,001-\$50,000	0	0	
Anne E. Impellizzeri	0	0	0	0	0	
Peter R. Sawers	0	\$10,001-\$50,000	0	0	\$10,001-\$50,000	
William J. Schneider	0	0	0	0	0	
Judith M. Stockdale	0	0	0	0	0	\$1-
Timothy R. Schwertfeger	Over \$100,000	0	Over \$100,000	Over \$100,000	\$50,001-\$100,000	
William E. Bennett	0	0	0	0	0	
Jack B. Evans	0	0	0	0	0	
William L. Kissick	0	0	0	0	0	
Thomas E. Leafstrand	\$10,001-\$50,000	0	0	\$10,001-\$50,000	0	
Sheila W. Wellington	\$10,001-\$50,000	0	\$10,001-\$50,000	0	0	\$

DOLLAR RANGE OF EQUITY SECURITIES

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

BOARD MEMBER NOMINEES	SELECT QUALITY	QUALITY INCOME	INSURED MUNICIPAL OPPORTUNITY	PREMIER MUNICIPAL	PREMIER INSURED	PREMIUM INCOME
Robert P. Bremner	0	0	0	0	0	(0 shares)
Lawrence H. Brown	0	\$10,001-\$50,000	\$10,001-\$50,000	0	0	
Anne E. Impellizzeri	0	0	\$10,001-\$50,000	0	0	
Peter R. Sawers	0	0	0	0	0	
William J. Schneider	0	0	0	0	0	
Judith M. Stockdale	0	0	0	\$10,001-\$50,000	0	\$10,001-\$50,000
Timothy R. Schwertfeger	\$50,001-\$100,000	Over \$100,000	\$50,001-\$100,000	0	0	
William E. Bennett	0	0	0	0	0	
Jack B. Evans	0	0	0	0	0	
William L. Kissick	0	0	0	0	0	
Thomas E. Leafstrand	0	0	0	0	0	
Sheila W. Wellington	0	0	0	0	\$10,001-\$50,000	

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

9

The following table sets forth, for each Board Member nominee and for the Board Member nominees and officers as a group, the amount of shares beneficially owned in each Fund as of March 31, 2003. The information as to beneficial ownership is based on statements furnished by each Board Member nominee and officer.

FUND SHARES OWNED BY BOARD MEMBER NOMINEES AND OFFICERS (1)

BOARD MEMBER NOMINEES	MUNICIPAL VALUE	MUNICIPAL INCOME	PREMIUM INCOME	PERFORMANCE PLUS	MUNICIPAL ADVANTAGE	OP
Robert P. Bremner	0	0	0	0	0	

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Lawrence H. Brown	1,000	0	1,000	0	0
Anne E. Impellizzeri	0	0	0	0	0
Peter R. Sawers	0	2,789	0	0	1,989
William J. Schneider	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	0
Timothy R. Schwertfeger	22,950	0	61,477	14,000	6,533
William E. Bennett	0	0	0	0	0
Jack B. Evans	0	0	0	0	0
William L. Kissick	0	0	0	0	0
Thomas E. Leafstrand	2,000	0	0	1,000	0
Sheila W. Wellington	1,500	0	2,000	0	0
ALL BOARD MEMBER NOMINEES AND OFFICERS AS A GROUP	30,182	2,789	69,557	19,000	10,422

FUND SHARES OWNED BY BOARD MEMBER NOMINEES AND OFFICERS (1)

BOARD MEMBER NOMINEES	INSURED QUALITY	SELECT QUALITY	QUALITY INCOME	INSURED MUNICIPAL OPPORTUNITY	PREMIER MUNICIPAL	PREMIER INSURED
Robert P. Bremner	0	0	0	0	0	0
Lawrence H. Brown	0	0	889	822	0	0
Anne E. Impellizzeri	0	0	0	1,000	0	0
Peter R. Sawers	1941	0	0	0	0	0
William J. Schneider	0	0	0	0	0	0
Judith M. Stockdale	0	0	0	0	757	0
Timothy R. Schwertfeger	0	5,000	22,300	5,000	0	0
William E. Bennett	0	0	0	0	0	0
Jack B. Evans	0	0	0	0	0	0
William L. Kissick	0	0	0	0	0	0
Thomas E. Leafstrand	0	0	0	0	0	0
Sheila W. Wellington	0	0	0	0	0	1,989
ALL BOARD MEMBER NOMINEES AND OFFICERS AS A GROUP	7,777	5,830	23,739	35,323	757	1,989

(1) The numbers include share equivalents of certain Nuveen Funds in which the Board Member is deemed to be invested pursuant to the Deferred Compensation Plan for Independent Board Members as more fully described below.

10

On March 31, 2003, continuing Board Members and executive officers as a group beneficially owned 578,368 common shares of all funds managed by NAC and NIAC (includes Deferred Units and shares held by the executive officers in Nuveen's 401(k)/profit sharing plan). Each continuing Board Member's individual beneficial shareholdings of each Fund constitute less than 1% of the outstanding shares of each Fund. As of March 31, 2003, the continuing Board Members and executive officers as a group beneficially owned less than 1% of the outstanding common shares of each Fund. As of March 31, 2003, the Board Member nominees and executive officers of the Funds did not own any shares of MuniPreferred. As of

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

May 29, 2003, no shareholder beneficially owned more than 5% of any class of shares of any Fund.

COMPENSATION

The Board Members affiliated with Nuveen or the Adviser serve without any compensation from the Funds. The Independent Board Members are paid an annual retainer and fees and expenses for Board meetings and committee meetings as described above. The annual retainer, fees and expenses are allocated among the funds managed by the Adviser on the basis of relative net asset sizes although Fund management may, in its discretion, establish a minimum amount to be allocated to each Fund. The Boards of certain Nuveen Funds (the "Participating Funds") established a Deferred Compensation Plan for Independent Board Members ("Deferred Compensation Plan"). Under the Deferred Compensation Plan, Independent Board Members of the Participating Funds may defer receipt of all, or a portion, of the compensation they earn for their services to the Participating Funds, in lieu of receiving current payments of such compensation. Any deferred amount is treated as though an equivalent dollar amount had been invested in shares of one or more eligible Nuveen funds. Each Independent Board Member, other than Mr. Brown, has elected to defer at least a portion of their fees. Each of the Funds except Municipal Income are Participating Funds under the Deferred Compensation Plan.

11

The table below shows, for each continuing Board Member who is not affiliated with Nuveen or the Adviser, the aggregate compensation (i) paid by each Fund to each continuing Board Member for its last fiscal year and (ii) paid (including deferred fees) for service on the boards of the Nuveen open-end and closed-end Funds managed by NAC ("NAC Funds") and NIAC ("NIAC Funds") for the calendar year ended 2002. Mr. Schwertfeger, a Board Member who is an interested person of each Fund, does not receive any compensation from a Fund or any Nuveen funds.

AGGREGATE COMPENSATION FROM THE FUNDS(1)

CONTINUING BOARD MEMBERS	MUNICIPAL VALUE	MUNICIPAL INCOME	PREMIUM INCOME	PERFORMANCE PLUS	MUNICIPAL ADVANTAGE	MUNICIPAL MARK OPPORTUNI
Robert P. Bremner	2,995.48	135.42	2,264.12	2,119.10	1,557.72	1,619.1
Lawrence H. Brown	3,184.33	141.60	2,406.76	2,251.45	1,655.66	1,721.1
Anne E. Impellizzeri	2,204.64	135.42	1,666.38	1,570.07	1,148.19	1,192.4
Peter R. Sawers	2,674.77	135.42	2,021.89	2,122.77	1,391.79	1,446.0
William J. Schneider	2,777.85	135.42	2,099.76	1,969.64	1,445.40	1,501.8
Judith M. Stockdale	2,942.30	135.42	2,223.98	2,082.66	1,530.29	1,590.4

SELECT      QUALITY      INSURED MUNICIPAL      PREMIER      PREMIER      PREMIUM

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

CONTINUING BOARD MEMBERS	QUALITY	INCOME	OPPORTUNITY	MUNICIPAL	INSURED	INCOME 2
Robert P. Bremner	1,206.37	1,936.17	2,967.98	716.97	701.56	1,492.46
Lawrence H. Brown	1,282.20	2,057.93	3,154.05	761.88	745.61	1,586.39
Anne E. Impellizzeri	889.05	1,427.02	2,190.49	529.08	517.70	1,098.28
Peter R. Sawers	1,077.86	1,729.78	2,653.33	641.04	627.14	1,332.92
William J. Schneider	1,119.38	1,796.48	2,755.56	665.71	651.29	1,384.22
Judith M. Stockdale	1,185.15	1,902.05	2,916.18	704.47	709.29	1,466.01

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

DEFERRED FEES

CONTINUING BOARD MEMBERS	MUNICIPAL VALUE	PREMIUM INCOME	PERFORMANCE PLUS	MUNICIPAL ADVANTAGE	MUNICIPAL MARKET OPPORTUNITY
Robert P. Bremner	406.88	307.57	288.40	211.72	219.96
Lawrence H. Brown	--	--	--	--	--
Anne E. Impellizzeri	2,204.64	1,666.38	1,570.07	1,148.19	1,192.47
Peter R. Sawers	2,674.77	2,021.89	2,122.77	1,391.79	1,446.03
William J. Schneider	2,777.85	2,099.76	1,969.64	1,445.40	1,501.82
Judith M. Stockdale	658.25	497.62	467.34	342.65	355.91

DEFERRED FEES

CONTINUING BOARD MEMBERS	SELECT QUALITY	QUALITY INCOME	INSURED MUNICIPAL OPPORTUNITY	PREMIER MUNICIPAL	PREMIER INSURED
Robert P. Bremner	163.96	263.11	403.59	97.50	95.37
Lawrence H. Brown	--	--	--	--	--
Anne E. Impellizzeri	889.05	1,427.02	2,190.49	529.08	517.70
Peter R. Sawers	1,077.86	1,729.78	2,653.33	641.04	627.14
William J. Schneider	1,119.38	1,796.48	2,755.56	665.71	651.29
Judith M. Stockdale	265.36	425.83	653.48	157.88	154.41

Nuveen Investments, Inc. maintains charitable contributions programs to encourage the active support and involvement of individuals in the civic activities of their community. These programs include a matching contributions program and a direct

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

contributions program. The Independent Board Members of the funds managed by the Adviser are eligible to participate in the charitable contributions program of Nuveen Investments, Inc. Under the matching program, Nuveen Investments, Inc. will match the personal contributions of a Board Member to Section 501(c)(3) organizations up to an aggregate maximum amount of \$10,000 during any calendar year. Under its direct (non-matching) program, Nuveen Investments, Inc. makes contributions to qualifying Section 501(c)(3) organizations, as approved by the Corporate Contributions Committee of Nuveen Investments, Inc. The Independent Board Members are also eligible to submit proposals to the committee requesting that contributions be made under this program to Section 501(c)(3) organizations identified by the Board Member, in an aggregate amount not to exceed \$5,000 during any calendar year. Any contribution made by Nuveen Investments, Inc. under the direct program is made solely at the discretion of the Corporate Contributions Committee.

### COMMITTEES

The Board has five standing committees: the executive committee, the audit committee, the governance committee, the dividend committee and the valuation committee.

Peter R. Sawers and Timothy R. Schwertfeger currently serve as members of the executive committee of the Board of each Fund. The executive committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board; provided that the scope of the powers of the executive committee, unless otherwise specifically authorized by the full Board, are limited to: (i) emergency matters where assembly of the full Board is impracticable (in which case management will take all reasonable steps to quickly notify each individual Board Member of the actions taken by the executive committee) or (ii) matters of an administrative or ministerial nature. The executive committee of each Fund held no meetings during their last fiscal year, except Performance Plus held one meeting during its last fiscal year.

Lawrence H. Brown and Timothy R. Schwertfeger are current members of the dividend committee. The dividend committee is authorized to declare distributions on the Funds' shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The dividend committee of each Fund held four meetings during its last fiscal year.

Lawrence H. Brown and Judith M. Stockdale are current members of the valuation committee for each Fund. The valuation committee oversees the Fund's Pricing Procedures including, but not limited to, the review and approval of fair value pricing determinations made by Nuveen's Valuation Group. The valuation committee of each Fund held one meeting during its last fiscal year.

Each Fund's Board has an audit committee composed of Independent Board Members and who are "independent" as that term is defined in Section 303.01(B)(2)(a) and (3) of the New York Stock Exchange's listing standards. The audit committee monitors the accounting and reporting policies and practices of the Funds, the quality and integrity of the financial statements of the Funds, compliance by the Funds with legal and regulatory requirements and the independence and performance of the external and internal auditors. The audit committee reviews the work and any recommendations of the Fund's independent auditors. Based on such review, it is authorized to make recommendations to the Board. A copy of the Audit Committee Charter is attached to the proxy statement as Appendix A. The audit committee of each Fund held three meetings during its last fiscal year.

Nomination of those Board Members who are not "interested persons" of each Fund



Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

is committed to a governance committee composed of all Board Members who are not "interested persons" of that Fund. It identifies and recommends individuals to be nominated for election as non-interested Board Members. The committee also reviews matters relating to (1) the composition, duties, recruitment, independence and tenure of Board Members, (2) the selection and review of committee assignments, and (3) Board Member education, board meetings and board performance. The governance committee of each Fund held one meeting during its last fiscal year. In the event of a vacancy on the Board, the governance committee receives suggestions from various sources as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Vice President for Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The governance committee sets appropriate standards and requirements for nominations for new Board Members and reserves the right to interview all candidates and to make the final selection regarding the nomination of any new Board Members.

The Board of each Fund held four regular quarterly meetings and one special board meeting during its last fiscal year. 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).

THE OFFICERS

The following table sets forth information as of May 1, 2003 with respect to each officer, other than Mr. Schwertfeger, who is a Board Member and is included in the table relating to nominees for the Board. Officers receive no compensation from

13

the Funds. The officers of each Fund are elected by the Board on an annual basis to serve until successors are elected and qualified.

NAME, ADDRESS AND BIRTHDATE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Gifford R. Zimmerman 333 West Wacker Drive Chicago, IL 60606 (9/9/56)	Chief Administrative Officer	Term: Annual Length of Service: Since 1988	Managing Director (since 2002), Assistant Secretary and Associate General Counsel, formerly, Vice President of Nuveen Investments, LLC; Managing Director (since 2002), General Counsel and Assistant Secretary, formerly, Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Managing Director (since 2002) and Assistant Secretary and Associate General Counsel, formerly Vice President (since 2000) of Nuveen Asset Management, Inc.; Assistant Secretary of Nuveen Investments, Inc. (since 1994);

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

			Assistant Secretary of NWQ Investment Management Company, LLC (since 2002); Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Rittenhouse Asset Management, Inc. (since May 2003); Chartered Financial Analyst.
Michael T. Atkinson 333 West Wacker Drive Chicago, IL 60606 (2/3/66)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2002	Vice President (since 2002), formerly Assistant Vice President (from 2000), previously, Associate of Nuveen Investments, LLC.
Paul L. Brennan 333 West Wacker Drive Chicago, IL 60606 (11/10/66)	Vice President	Term: Annual Length of Service: Since 1997	Vice President (since 2002), formerly Assistant Vice President (since 1997) of Nuveen Advisory Corp.; Chartered Financial Analyst and Certified Public Accountant.
Peter H. D'Arrigo 333 West Wacker Drive Chicago, IL 60606 (11/28/67)	Vice President and Treasurer	Term: Annual Length of Service: Since 1999	Vice President of Nuveen Investments, LLC (since 1999); prior thereto, Assistant Vice President (from 1997); Vice President and Treasurer (since 1999) of Nuveen Investments, Inc.; Vice President and Treasurer (since 1999) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp; Vice President and Treasurer of Nuveen Asset Management, Inc. (since 2002) and of Nuveen Investments Advisers Inc. (since 2002); Assistant Treasurer of NWQ Investments Management Company, LLC. (since 2002); Chartered Financial Analyst.
Susan M. DeSanto 333 West Wacker Drive, Chicago, IL 60606 (9/8/54)	Vice President	Term: Annual Length of Service: Since 2001	Vice President of Nuveen Advisory Corp. (since 2001); previously, Vice President of Van Kampen Investment Advisory Corp. (from 1998).

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

NAME, ADDRESS AND BIRTHDATE	POSITION(S) HELD WITH FUND	AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Jessica R. Droeger 333 West Wacker Drive Chicago, IL 60606 (9/24/64)	Vice President and Secretary	Term: Annual Length of Service: Since 1998	Vice President (since 2002) and Assistant General Counsel (since 1998), formerly Assistant Vice President (from 1998) of Nuveen Investments, LLC; Vice President (since 2002) and Assistant Secretary (from 1998), formerly Assistant Vice President of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.
Lorna C. Ferguson 333 West Wacker Drive Chicago, IL 60606 (10/24/45)	Vice President	Term: Annual Length of Service: Since 1998	Vice President of Nuveen Investments, LLC (since 1998); Vice President (since 1998) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.
William M. Fitzgerald 333 West Wacker Drive Chicago, IL 60606 (3/2/64)	Vice President	Term: Annual Length of Service: Since 1995	Managing Director (since 2001), formerly Vice President (since 1995) of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Managing Director of Nuveen Asset Management, Inc. (since 2001); Vice President of Nuveen Investments Advisers Inc. (since 2002); Chartered Financial Analyst.
Stephen D. Foy 333 West Wacker Drive Chicago, IL 60606 (5/31/54)	Vice President and Controller	Term: Annual Length of Service: Since 1993	Vice President (since 1993) and Funds Controller (since 1998) of Nuveen Investment, LLC; Vice President and Funds Controller (since 1998) of Nuveen Investments, Inc.; Certified Public Accountant.
J. Thomas Futrell 333 West Wacker Drive Chicago, IL 60606 (7/5/55)	Vice President	Term: Annual Length of Service: Since 1992	Vice President of Nuveen Advisory Corp.; Chartered Financial Analyst.
Richard A. Huber 333 West Wacker Drive Chicago, IL 60606 (3/26/63)	Vice President	Term: Annual Length of Service: Since 1997	Vice President of Nuveen Institutional Advisory Corp. (since 1998) and Nuveen Advisory Corp. (since 1997).
Steven J. Krupa 333 West Wacker Drive Chicago, IL 60606 (8/21/57)	Vice President	Term: Annual Length of Service: Since 1990	Vice President of Nuveen Advisory Corp.
David J. Lamb 333 West Wacker Drive Chicago, IL 60606 (3/22/63)	Vice President	Term: Annual Length of Service: Since 2000	Vice President of Nuveen Investments, LLC (since 2000); prior thereto, Assistant Vice President (from 1999); formerly

Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Associate of Nuveen Investments, LLC; Certified Public Accountant.

Tina M. Lazar  
333 West Wacker Drive  
Chicago, IL 60606  
(8/27/61)

Vice President

Term: Annual  
Length of Service:  
Since 2002

Vice President of Nuveen Investments, LLC (since 1999); prior thereto, Assistant Vice President (since 1993) of Nuveen Investments, LLC.

15

NAME, ADDRESS AND BIRTHDATE	POSITION(S) HELD WITH FUND	TERM OF OFFICE AND LENGTH OF TIME SERVED*	PRINCIPAL OCCUPATION(S) DURING PAST 5 YEARS
Larry W. Martin 333 West Wacker Drive Chicago, IL 60606 (7/27/51)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 1988	Vice President, Assistant Secretary and Assistant General Counsel of Nuveen Investments, LLC; Vice President and Assistant Secretary of Nuveen Advisory Corp. and Nuveen Institutional Advisory Corp.; Assistant Secretary of Nuveen Investments, Inc.; Assistant Secretary of Nuveen Asset Management, Inc. (since 1997); Vice President (since 2000), Assistant Secretary and Assistant General Counsel (since 1998) of Rittenhouse Asset Management, Inc.; Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Assistant Secretary of NWQ Investment Management Company, LLC (since 2002).
Edward F. Neild, IV 333 West Wacker Drive Chicago, IL 60606 (7/7/65)	Vice President	Term: Annual Length of Service: Since 1996	Managing Director (since 2002), formerly, Vice President (from 1996) of Nuveen Institutional Advisory Corp. and Nuveen Advisory Corp.; Managing Director of Nuveen Asset Management, Inc. (since 1999); Chartered Financial Analyst.
Thomas J. O'Shaughnessy 333 West Wacker Drive Chicago, IL 60606 (9/4/60)	Vice President	Term: Annual Length of Service: Since 1998	Vice President (since 2002), previously, Assistant Vice President (1998) of Nuveen Advisory Corp.
Thomas C. Spalding	Vice President	Term: Annual	Vice President of Nuveen

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

333 West Wacker Drive  
Chicago, IL 60606  
(7/31/51)

Length of Service: Advisory Corp. and Nuveen  
Since 1987 Institutional Advisory Corp.;  
Chartered Financial Analyst.

---

\* Length of Service indicates the year the individual became an officer of a fund in the Nuveen fund complex.

### AUDIT COMMITTEE REPORT

The Audit Committee of the Board is responsible for assisting the Board in monitoring (1) the quality and integrity of the Fund's financial statements, (2) each Fund's compliance with regulatory requirements, and (3) the independence and performance of the Fund's independent and internal auditors. Among other responsibilities, the Committee reviews, in its oversight capacity, each Fund's annual financial statements with both management and the independent auditors and the Committee meets periodically with the independent and internal auditors to consider their evaluation of the Fund's financial and internal controls. The Committee also recommends to the Board the selection of each Fund's independent auditors. The Committee is currently composed of six Board Members and operates under a written charter adopted and approved by the Board. Each Committee member is independent as defined by New York Stock Exchange.

The Committee, in discharging its duties, has met with and held discussions with management and each Fund's independent and internal auditors. The Committee has reviewed and discussed the audited financial statements with management. Management has represented to the independent auditors that each Fund's financial statements were prepared in accordance with generally accepted accounting principles. The Committee has also discussed with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61 (Communications with Audit Committees). Each Fund's independent auditors provided to the Committee the written disclosure required by Independent Standards Board Standard No. 1 (Independent Discussions with Audit Committees), and the Committee discussed with representatives of the independent auditor their firm's independence. As provided in the Audit Committee Charter, it is not the Committee's responsibility to determine, and the considerations and discussions referenced above do not ensure, that each Fund's financial statements are complete and accurate and presented in accordance with generally accepted accounting principles.

Based on the Committee's review and discussions with management and the independent auditors, the representations of management and the report of the independent auditors to the Committee, the Committee has recommended that the Board include the audited financial statements in each Fund's Annual Report.

16

The members of the Committee are:

Robert P. Bremner  
Anne E. Impellizzeri  
William J. Schneider  
Lawrence H. Brown  
Peter R. Sawers  
Judith M. Stockdale

### AUDIT AND RELATED FEES

AUDIT FEES. The aggregate fees billed by Ernst & Young LLP for professional services for the audit of each Fund's financial statements for its most recently

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

completed fiscal year were as follows:

FUND	AUDIT FEES	FINANCIAL INFORMATION SYSTEMS DESIGN AND IMPLEMENTATION FEES	AL
Municipal Value	\$35,962	\$0	\$
Municipal Income	5,968	0	
Premium Income	28,308	0	
Performance Plus	26,351	0	
Municipal Advantage	20,841	0	
Municipal Market Opportunity	21,475	0	
Investment Quality	18,227	0	
Insured Quality	19,079	0	
Select Quality	17,190	0	
Quality Income	24,758	0	
Insured Municipal Opportunity	35,508	0	
Premier Municipal	12,047	0	
Premier Insured	11,888	0	
Premium Income 2	20,227	0	
Premium Income 4	19,512	0	

ALL NON-AUDIT FEES. The Audit Committee has generally considered whether the receipt of non-audit fees by Ernst & Young LLP from the Fund is compatible with maintaining Ernst & Young LLP's independence.

### 2. PROPOSED CHANGES TO EACH FUND'S FUNDAMENTAL INVESTMENT POLICIES

The Board has proposed amending each Fund's fundamental investment policies relating to borrowing and lending in connection with the implementation of a proposed interfund lending program.

#### GENERAL

Each Fund's current fundamental investment policy regarding borrowing states:

PERFORMANCE PLUS, PREMIUM INCOME, MUNICIPAL ADVANTAGE, MUNICIPAL MARKET OPPORTUNITY, INVESTMENT QUALITY, INSURED QUALITY, SELECT QUALITY, QUALITY INCOME, INSURED MUNICIPAL OPPORTUNITY, PREMIER MUNICIPAL, PREMIER INSURED, PREMIUM INCOME 2 AND PREMIUM INCOME 4: The Fund may not borrow money, except from banks for temporary or emergency purposes or for repurchase of its shares, and then only in an amount not exceeding one-third of the value of its total assets including the amount borrowed; while any such borrowings exceed 5% of its total assets, no additional purchases of investment securities will be made.

MUNICIPAL VALUE AND MUNICIPAL INCOME: The Fund may not borrow money, except from banks for temporary or emergency purposes or for repurchase of its shares, and then only in an amount not exceeding one-third of the value of the Fund's total assets including the amount borrowed. While any such borrowings exceed 5% of the Fund's total assets, no additional purchases of investment securities will be made.

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Each Fund's current fundamental policy regarding lending states:

MUNICIPAL INCOME, PREMIUM INCOME, MUNICIPAL ADVANTAGE, MUNICIPAL MARKET OPPORTUNITY, INVESTMENT QUALITY, INSURED QUALITY, SELECT QUALITY, QUALITY INCOME, INSURED MUNICIPAL OPPORTUNITY, PREMIER MUNICIPAL, PREMIER INSURED, PREMIUM INCOME 2 AND PREMIUM INCOME 4: The Fund may not make loans, other than by entering into repurchase agreements and through the purchase of Municipal Obligations or temporary investments in accordance with its investment objective, policies and limitations.

17

MUNICIPAL VALUE: The Fund may not make loans, other than by entering into repurchase agreements and through the purchase of Municipal Obligations or temporary investments in accordance with its investment objectives, policies and limitations.

PERFORMANCE PLUS: The Fund may not make loans, other than by entering into repurchase agreements and through the purchase of tax-exempt municipal obligations or temporary investments in accordance with its investment objective, policies and limitations.

The Board recommends that shareholders vote to replace these policies with the following fundamental investment policy governing borrowing and the following fundamental investment policy regarding lending:

The Fund may not borrow money, except as permitted by the Investment Company Act of 1940 and exemptive orders granted under the 1940 Act.

The Fund may not make loans, except as permitted by the Investment Company Act of 1940 and exemptive orders granted under the 1940 Act.

In connection with disaster recovery planning and to provide liquidity in the event that open-end funds in the Nuveen family of funds encounter higher than normal redemption requests that may follow a national disaster such as the events of September 11, 2001, the Boards of the Nuveen Funds have determined that an interfund lending program would allow the Nuveen Funds, including the Funds, to lend and borrow cash for temporary purposes directly to and from each other. The proposed new fundamental investment policies will enable each Fund to participate in this interfund lending program.

Because an interfund lending program raises issues under various sections of the 1940 Act, in order to implement the proposal, all Nuveen Funds, including the Funds, will file an application for exemption from certain provisions of the 1940 Act with the Securities and Exchange Commission ("SEC"). The application to the SEC for exemptive relief will not limit interfund lending under the program to emergency situations and the relief, if and when granted, would allow the Adviser to set up a more regular program if it and the Board of a Fund determines that a more regular program would be in the best interests of a fund. Implementation of the interfund lending program is contingent upon the SEC

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

granting the exemptive relief.

Nuveen's open-end funds are far more likely to experience large net cash outflows during an emergency situation than the closed-end funds, therefore the open-end funds will likely be the only funds that would borrow extensively under the program. However, because the closed-end funds might be able to lend money at attractive rates under the program, it is proposed that all current and future Nuveen Funds, both open-end and closed-end, may participate in the program. Because the interest earned by the lending fund on such loans is taxable, Nuveen anticipates that funds that invest primarily in municipal securities would only participate in the program as lenders if the Adviser believes that it would be in the best interests of the shareholders of such funds. Funds that invest primarily in securities other than municipal securities may also utilize the program in non-emergency situations.

Currently, the Nuveen open-end funds can borrow from banks for temporary purposes and can lend to banks or other entities in the form of repurchase agreements or investment in other short-term instruments. The proposed program would reduce the open-end funds' borrowing costs and enhance their ability to earn higher rates of interest on investment of their short-term cash balances. The open-end funds would still be free to establish committed lines of credit or other borrowing arrangements with banks.

It is currently anticipated that the interest rate that will be charged to the funds on any interfund loan ("Interfund Loan Rate") would be the average of the "Repo Rate"(1) and the "Bank Loan Rate."(2) The program would be administered by employees of the Adviser, including representatives of the Funds' Administration and Financial Analysis, Product Management, Portfolio Operations and Trading and/or representatives of the Portfolio Management and Research Department who are not portfolio managers ("Interfund Lending Team"). Under the proposed program, in an emergency situation, a meeting of the Interfund Lending Team would be called and the Team would collect data on the uninvested cash and borrowing requirements of the funds. Once it determines the aggregate amount of cash available for loans and borrowing demand, the Interfund Lending Team would allocate loans among borrowing funds with input from portfolio managers.

-----

- (1) The "Repo Rate" for any day would be the highest rate available to the funds from investing in overnight repurchase agreements with a highly reputable counterparty.
- (2) The "Bank Loan Rate" for any day would be calculated by Nuveen each day an interfund loan is made according to a formula established by the Board designed to approximate the lowest interest rate at which bank short-term loans would be available to the funds. The formula would be based upon a publicly available rate (e.g., Federal Funds plus 25 basis points) and would vary with this rate so as to reflect changing bank loan rates. The Board periodically would review the continuing appropriateness of using the publicly available rate, as well as the relationship between the Bank Loan Rate and current bank loan rates that would be available to the funds. The initial formula and any subsequent modifications to the formula would be subject to the approval of the Board.

18

The Interfund Lending Team would allocate borrowing demand and cash available for lending among the funds on what the Interfund Lending Team believes to be an equitable basis, subject to certain administrative procedures applicable to all



## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

funds, such as the time of filing requests to participate, minimum loan lot sizes, and the need to minimize the number of transactions and associated administrative costs. To reduce transaction costs, each loan normally would be allocated in a manner intended to minimize the number of funds necessary to complete the loan transaction. The method of allocation and related administrative procedures would be approved by the Board, including a majority of the Independent Board Members, to ensure both borrowing and lending funds participate on an equitable basis.

The Adviser would (i) monitor the interest rates charged and other terms and conditions of the Interfund Loans, (ii) ensure compliance with each fund's investment policies and limitations, (iii) ensure equitable treatment of each fund, and (iv) make quarterly reports to the Board concerning any transactions by the funds under the program and the Interfund Loan Rates. Nuveen would administer the credit facility as part of its duties under its existing advisory contract with each fund and would receive no additional fee as compensation for its services. The actual terms of any Interfund Loan Program in which the Funds may participate may change from time to time from the description presented here both as a result of a regulatory action in connection with the granting of the appropriate regulatory approvals, or as approved by a Board of a Fund.

Although, under the proposed new investment policies, each Fund may borrow and lend to the full extent permitted by the 1940 Act, currently each Fund only intends to change its current practices with respect to borrowing and lending solely to the extent it participates in the proposed interfund lending program. However, under the proposed new investment policies, each Fund reserves the right to engage in borrowing and lending to the full extent permitted by the 1940 Act.

### VOTES REQUIRED

Approval of the proposed changes to a Fund's fundamental investment policies requires the affirmative vote of a "majority of the outstanding voting securities" of the Fund. For each Fund, except Municipal Value and Municipal Income, common shareholders and MuniPreferred shareholders will vote together as a single class and MuniPreferred shareholders will vote separately as a single class. For Municipal Value and Municipal Income, common shareholders will vote together as a single class. The term "majority of the outstanding voting securities" as defined in the 1940 Act means the affirmative vote of the lesser of (1) 67% of the voting securities of the Fund present at the meeting if more than 50% of the outstanding shares of the Fund are present in person or by proxy or (2) more than 50% of the outstanding shares of the Fund. Shareholders of each Fund will vote separately on the proposed changes to each fundamental investment policy.

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE PROPOSED CHANGES TO EACH FUND'S FUNDAMENTAL INVESTMENT POLICIES.

### 3. APPROVAL OF AGREEMENT AND PLAN OF REORGANIZATION AND LIQUIDATION

#### GENERAL

The Board of each Fund unanimously approved an Agreement and Plan of

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

Reorganization and Liquidation (the "Agreement") for each Fund in the form attached hereto as Appendix B. The purpose of the reorganization is for each Fund, currently organized as a Minnesota corporation (each, a "Minnesota Fund"), to reorganize (each, a "Reorganization") into a newly created Massachusetts business trust (each, a "Massachusetts Fund"). This type of reorganization may be referred to as a "change in domicile reorganization." The terms and conditions of the Reorganization are set forth in the Agreement. Significant provisions of the Agreement are summarized below; however, this summary is qualified in its entirety by reference to the Agreement.

The Board of each Fund believes that its respective Reorganization will achieve savings and operating efficiencies by realizing economies of scale through increased standardization of documents among the Nuveen family of funds, most of which are organized as Massachusetts business trusts, and would permit the Adviser and its personnel to focus more on non-administrative matters. Among such potential efficiencies are lower expenses, particularly legal expenses, through economies of scale associated with compliance by the Nuveen family of funds with Massachusetts law only, rather than both Minnesota and Massachusetts law.

Each Fund is governed by the 1940 Act as well as by the law of the state of its organization. A Massachusetts business trust is established by trustees (who serve the same role as directors of a Minnesota corporation) under a declaration of trust, which sets forth various provisions relating primarily to the authority of the trust to conduct business and the specific rules governing the trust. The Board of each Minnesota Fund believes that a fund organized as a Massachusetts business trust may have more flexibility in conducting its business as a closed-end investment company than a Minnesota corporation. For example, under each Fund's interpretation of Minnesota law, the Board of the Fund does not have the authority, without shareholder approval, to (a) increase the number of authorized shares of an existing series of MuniPreferred or (b) make amendments to certain rating agency definitions in the Fund's Statement Establishing and Fixing the Rights and Preferences of MuniPreferred. However, a Massachusetts business trust may provide for the flexibility to take these actions without shareholder approval. Therefore, if the Reorganizations are approved, it is expected that the Funds' governing documents

19

would permit the Board Members to issue additional shares of MuniPreferred and would permit rating agency definitions to be amended, subject to rating agency approval and other limitations, without the time and expense of seeking shareholder approval.

The Board of each Minnesota Fund considered all material issues associated with such Fund's Reorganization and determined that the Reorganization is in the best interest of the Fund and that existing shareholders will not be diluted as a result of such Reorganization.

The table below shows each Reorganization:

MINNESOTA FUND (MINNESOTA CORPORATION)

MASSACHUSETTS FUND (MASSACHUSETTS BUSINESS TRUST)

## Edgar Filing: NUVEEN MUNICIPAL VALUE FUND INC - Form DEF 14A

---

Nuveen Municipal Value Fund, Inc.	Nuveen Municipal Value Fund
Nuveen Municipal Income Fund, Inc.	Nuveen Municipal Income Fund
Nuveen Premier Income Fund, Inc.	Nuveen Premium Income Fund
Nuveen Performance Plus Municipal Fund, Inc.	Nuveen Performance Plus Municipal Fund
Nuveen Municipal Advantage Fund, Inc.	Nuveen Municipal Advantage Fund
Nuveen Municipal Market Opportunity Fund, Inc.	Nuveen Municipal Market Opportunity Fund
Nuveen Investment Quality Municipal Fund, Inc.	Nuveen Investment Quality Municipal Fund
Nuveen Insured Quality Municipal Fund, Inc.	Nuveen Insured Quality Municipal Fund
Nuveen Select Quality Municipal Fund, Inc.	Nuveen Select Quality Municipal Fund
Nuveen Quality Income Municipal Fund, Inc.	Nuveen Quality Income Municipal Fund
Nuveen Insured Municipal Opportunity Fund, Inc.	Nuveen Insured Municipal Opportunity Fund
Nuveen Premier Municipal Income Fund, Inc.	Nuveen Premier Municipal Income Fund
Nuveen Premier Insured Municipal Income Fund, Inc.	Nuveen Premier Insured Municipal Income Fund
Nuveen Premier Income Fund 2, Inc.	Nuveen Premier Income Fund 2
Nuveen Premier Income Fund 4, Inc.	Nuveen Premier Income Fund 4

Each Reorganization contemplates that (a) a newly established Massachusetts Fund would acquire all of the assets of the corresponding Minnesota Fund in exchange for newly issued common shares and newly issued shares of MuniPreferred of the Massachusetts Fund ("Massachusetts Fund Shares") and the Massachusetts Fund's assumption of all of the liabilities of the corresponding Minnesota Fund; and (b) the Minnesota Fund would liquidate and distribute to its shareholders pro rata by class the Massachusetts Fund Shares received. As a result of the Reorganization, the shareholders of each Minnesota Fund would become shareholders of the correspon