

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND

Form N-14 8C

July 17, 2013

As filed with the Securities and Exchange Commission on July 17, 2013

File No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-14

REGISTRATION STATEMENT

UNDER THE

SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No.

**NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL
FUND**

(Exact Name of Registrant as Specified in Charter)

333 West Wacker Drive

Chicago, Illinois 60606

(Address of Principal Executive Offices, Zip Code)

Registrant's Telephone Number, including Area Code (800) 257-8787

Kevin J. McCarthy

Vice President and Secretary

Nuveen Investments

333 West Wacker Drive

Chicago, Illinois 60606

(Name and Address of Agent for Service)

Copy to:

Deborah Bielicke Eades

Vedder Price P.C.

222 North LaSalle Street

Chicago, Illinois 60601

Eric F. Fess

Chapman and Cutler LLP

111 West Monroe Street

Chicago, Illinois 60603

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

| Title of Securities Being Registered | Amount Being Registered⁽¹⁾ | Proposed Maximum Offering Price Per Unit⁽¹⁾ | Proposed Maximum Aggregate Offering Price⁽¹⁾ | Amount of Registration Fee |
|---|--|---|--|-----------------------------------|
| Common Shares, \$0.01 Par Value Per Share | 50,000 Shares | \$14.54 ⁽²⁾ | \$727,000 ⁽²⁾ | \$99.16 |

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| | | | | |
|---|-----------|---------|-------|--------|
| MuniFund Term Preferred Shares, 2.65% Series 2015 | 10 Shares | \$10.00 | \$100 | \$0.01 |
| MuniFund Term Preferred Shares, 2.60% Series 2015 | 10 Shares | \$10.00 | \$100 | \$0.01 |

- (1) Estimated solely for the purpose of calculating the registration fee.
- (2) Net asset value per share of common shares on July 12, 2013.

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

IMPORTANT NOTICE TO SHAREHOLDERS OF

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND (NQP)

NUVEEN PENNSYLVANIA PREMIUM INCOME MUNICIPAL FUND 2 (NPY)

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NXM, NXM PrC) AND

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVY, NVY PrC) (EACH, A FUND AND COLLECTIVELY, THE FUNDS)

[], 2013

Although we recommend that you read the complete Joint Proxy Statement/Prospectus, 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/Prospectus?

A. You are receiving the Joint Proxy Statement/Prospectus in connection with the annual shareholder meetings of the Funds. The following proposals will be considered:

the election of each Fund's Board of Trustees (each, a Board or the Board) (the list of specific nominees is contained in the enclosed Joint Proxy Statement/Prospectus); and

the reorganization of each of: (i) Nuveen Pennsylvania Premium Income Municipal Fund 2 (Premium Income), (ii) Nuveen Pennsylvania Dividend Advantage Municipal Fund (Dividend Advantage) and (iii) Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (Dividend Advantage 2 and collectively with Premium Income and Dividend Advantage, the Target Funds or each individually, a Target Fund) into Nuveen Pennsylvania Investment Quality Municipal Fund (the Acquiring Fund) (each, a Reorganization and collectively, the Reorganizations).

Proposals Regarding the Reorganizations

Q. What actions has each Fund's Board approved?

A. The Board of Nuveen's municipal closed-end funds has approved a series of mergers of single-state municipal closed-end funds, including the reorganizations of each of Premium Income, Dividend Advantage and Dividend Advantage 2 into the Acquiring Fund.

Q. Why has each Fund's Board recommended this proposal?

A. Each Fund's Board has determined that its respective Reorganization(s) would be in the best interests of its Fund. Each Fund's Board considered the Reorganization(s) as part of a broad initiative to rationalize the product offerings of Nuveen funds and eliminate overlapping products. The Acquiring Fund and the Target Funds have similar investment objectives and policies and substantially similar portfolio compositions. The proposed Reorganizations are intended to result in lower total expenses per common share (excluding the costs of leverage) due to economies of scale resulting from the larger size of the combined fund and to enhance the secondary trading market for common shares of the Acquiring Fund as a result of the greater share volume of the combined fund.

Q. What are the potential benefits of the Reorganizations to common shareholders?

- A. The investment adviser to the Funds and/or each Fund's Board believe that the proposed Reorganizations are expected to offer the following potential benefits to common shareholders of the Funds:

Lower fees and operating expenses per common share (excluding the costs of leverage) from greater economies of scale as the combined fund's size results in a lower effective management fee rate based on managed assets and allows fixed operating expenses to be spread over a larger asset base.

Improved secondary market trading for common shares as the combined fund's greater share volume is expected to result in increased market liquidity, which may lead to narrower bid-ask spreads and smaller trade-to-trade price movements.

Increased flexibility in managing the structure and costs of leverage over time, for example, by enabling the larger combined fund to simultaneously employ, or modify allocations between, fixed rate and floating rate issues as issues mature and/or as the investment adviser's market outlook changes. In contrast, a smaller stand-alone fund would likely be limited to employing one type of leverage and to smaller issues.

Q. How will preferred shareholders be affected by the Reorganizations?

- A. The Acquiring Fund has one series of Variable Rate Demand Preferred Shares (VRDP Shares) outstanding as of the date of the enclosed Joint Proxy Statement/Prospectus, and these shares will remain outstanding following the Reorganizations. Each Target Fund has one series of either VRDP Shares or MuniFund Term Preferred Shares (MTP Shares) outstanding as of the date of the enclosed Joint Proxy Statement/Prospectus. Upon the closing of the Reorganizations, preferred shareholders of each Target Fund will receive on a one-for-one basis newly issued preferred shares of the Acquiring Fund having substantially identical terms, as of the closing of the Reorganizations, as the preferred shares of the Target Fund exchanged therefor. Although the Acquiring Fund preferred shares to be issued to each Target Fund will consist of a separate series, such series will rank on parity with other outstanding preferred shares of the Acquiring Fund. With respect to matters requiring all preferred shareholders to vote separately or common and preferred shareholders to vote together as a single class, following the Reorganizations, preferred shareholders of the Acquiring Fund will hold a smaller percentage of the outstanding preferred shares of the combined fund as compared to their percentage holdings prior to the Reorganizations.

Q. Will the Reorganizations impact Fund distributions to common shareholders?

- A. The Reorganizations are not expected to adversely impact distributions to common shareholders and are expected to result in the same or higher distribution rates for common shareholders of each Fund (as common shareholders of the Acquiring Fund following the Reorganizations) as a result of lower operating expenses per common share (excluding the costs of leverage).

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

- A. Yes. The Funds have similar investment objectives, policies and risks and are managed by the same portfolio manager. While there are certain immaterial wording differences among the

Funds' investment objectives, each Fund emphasizes (i) investment in tax-exempt municipal securities providing current income exempt from both regular federal and Pennsylvania income taxes and (ii) the enhancement of portfolio value relative to the municipal bond market through investment in municipal securities that, in the opinion of the Fund's investment adviser, are underrated or undervalued or that represent municipal markets or municipal market sectors that are undervalued. Each Fund also emphasizes investments in investment-grade municipal securities. Each Fund is a diversified, closed-end management investment company and currently engages in leverage through the issuance of preferred shares and the use of inverse floating rate securities.

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

A. Shareholders of each Target Fund and the Acquiring Fund will be asked to vote on an Agreement and Plan of Reorganization, with common shareholders and preferred shareholders voting as a single class and preferred shareholders voting separately. Shareholders of the Acquiring Fund also will be asked to vote on the issuance of additional common shares in connection with the Reorganizations, with common and preferred shareholders voting as a single class and common shares voting separately.

Q. Will shareholders of the Target Funds receive new shares in exchange for their current shares?

A. Yes. Upon the closing of the Reorganizations, Target Fund shareholders will become shareholders of the Acquiring Fund. Holders of common shares of each Target Fund will receive newly issued common shares of the Acquiring Fund, with cash being distributed in lieu of fractional common shares. The aggregate net asset value of the Acquiring Fund common shares received by Target Fund shareholders (including for this purpose fractional Acquiring Fund common shares to which shareholders would be entitled) will be equal to the aggregate net asset value of the common shares of such Target Fund held as of the close of trading on the business day immediately prior to the closing of the Reorganizations. Fractional shares will be sold on the open market and shareholders will receive cash in lieu of such fractional shares. Holders of preferred shares of each Target Fund will receive on a one-for-one basis newly issued preferred shares of the Acquiring Fund having substantially identical terms, as of the closing of the Reorganizations, as the preferred shares of the Target Fund exchanged therefor.

Current shareholders of the Acquiring Fund will remain shareholders of the Acquiring Fund. With respect to matters requiring all common shareholders to vote separately or common and preferred shareholders to vote together as a single class, following the Reorganizations, common shareholders of the Acquiring Fund will hold a smaller percentage of the outstanding common shares of the combined fund as compared to their percentage holdings prior to the Reorganizations.

Q. Do the Reorganizations constitute a taxable event for the Target Funds' shareholders?

A. No. Each Reorganization is intended to qualify as a tax-free reorganization for federal income tax purposes. It is expected that you will recognize no gain or loss for federal income tax purposes as a direct result of the Reorganization, except that gain or loss may be recognized with respect to any cash received in lieu of fractional Acquiring Fund common shares. Prior to the closing of the Reorganizations, each Target Fund expects to declare a distribution of all of its net investment income and net capital gains, if any. All or a portion of such a distribution

may be taxable to a Target Fund's shareholders for federal income tax purposes. In addition, to the extent that a Target Fund's portfolio securities are sold in connection with a Reorganization, such Target Fund may realize gains or losses, which may increase or decrease the net capital gain or net investment income to be distributed by the Target Fund. However, since each Target Fund's current portfolio composition is substantially similar to that of the Acquiring Fund, it is not currently expected that any significant portfolio sales will occur solely in connection with the Reorganizations (less than 5% of the assets of each Target Fund).¹

Q. What will happen if the required shareholder approvals in connection with the Reorganizations are not obtained?

A. The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. Because the closing of the Reorganizations is contingent upon all of the Target Funds and the Acquiring Fund obtaining the requisite shareholder approvals and satisfying their other closing conditions, it is possible that your Fund's Reorganization(s) will not occur, even if shareholders of your Fund approve the Reorganization(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 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, including conducting additional solicitations with respect to the proposals or continuing to operate the Fund as a stand-alone fund.

Q. Will shareholders of the Target Funds have to pay any fees or expenses in connection with the Reorganizations?

A. The costs 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 cost savings (excluding the costs of leverage) and distribution increases, if any, to each Fund during the first year following the Reorganizations. Common shareholders will indirectly bear the costs of the Reorganizations. The costs of the Reorganizations are estimated to be \$310,000 (0.12%) for the Acquiring Fund, \$50,000 (0.02%) for Premium Income, \$240,000 (0.46%) for Dividend Advantage and \$190,000 (0.33%) for Dividend Advantage 2. Preferred shareholders will not bear any costs of the Reorganizations. The Reorganizations are expected to result in cost savings (excluding the costs of leverage) and the potential for increased distributions over time for the common shareholders of each Fund in their capacity as common shareholders of the Acquiring Fund following the Reorganizations.

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

Q. What is the timetable for the Reorganizations?

A. If the shareholder voting and other conditions to closing are satisfied (or waived), the Reorganizations are expected to take effect on or about January 13, 2014 or as soon as practicable thereafter.

Q. How does the Board recommend that I vote on the Reorganizations?

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

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 shares, please call Computershare Fund Services, your proxy solicitor, at ([]) []-[] 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 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.

[], 2013

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND (NQP)

NUVEEN PENNSYLVANIA PREMIUM INCOME MUNICIPAL FUND 2 (NPY)

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NXM, NXM PrC)

AND

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVY, NVY PrC)

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 22, 2013

To the Shareholders:

Notice is hereby given that the Annual Meeting of Shareholders (the Annual Meeting) of Nuveen Pennsylvania Investment Quality Municipal Fund (the Acquiring Fund), Nuveen Pennsylvania Premium Income Municipal Fund 2 (Premium Income), Nuveen Pennsylvania Dividend Advantage Municipal Fund (Dividend Advantage) and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (Dividend Advantage 2 and collectively with Premium Income and Dividend Advantage, the Target Funds or each individually, a Target Fund) will be held in the offices of Nuveen Investments, Inc. (Nuveen or Nuveen Investments), 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, November 22, 2013, at []:[] [].m., Central time, for the following purposes:

1. Election of Board Members.

For each Fund:

- (a) 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 Stringer 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.

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 issued in lieu of fractional common shares); and (iii) liquidate, dissolve and terminate in accordance with applicable law.

For each Fund:

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

- (b) 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 the Acquiring Fund:

- (a) The common and preferred shareholders voting 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 as of the close of business on August 26, 2013 are entitled to notice of and to vote at the Annual Meeting and any 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, 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.

Kevin J. McCarthy

Vice President and Secretary

The Nuveen Funds

The information contained in this Proxy Statement/Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Proxy Statement/Prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION,

DATED JULY 17, 2013

NUVEEN FUNDS

333 WEST WACKER DRIVE

CHICAGO, ILLINOIS 60606

(800) 257-8787

JOINT PROXY STATEMENT/PROSPECTUS

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND (NQP)

NUVEEN PENNSYLVANIA PREMIUM INCOME MUNICIPAL FUND 2 (NPY)

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NXM, NXM PrC)

AND

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVY, NVY PrC)

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

[], 2013

This Joint Proxy Statement/Prospectus is being furnished to the common shareholders of Nuveen Pennsylvania Investment Quality Municipal Fund (Investment Quality or the Acquiring Fund) and Nuveen Pennsylvania Premium Income Municipal Fund 2 (Premium Income), and the common shareholders and preferred shareholders of Nuveen Pennsylvania Dividend Advantage Municipal Fund (Dividend Advantage) and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (Dividend Advantage 2 and collectively with Premium Income and Dividend Advantage, the Target Funds or each individually, a Target Fund), each a closed-end management investment company, in connection with the solicitation of proxies by each Fund s Board of Trustees (each, a Board or the Board and each Trustee, a Board Member) for use at the Annual Meeting of Shareholders of each Fund to be held in the offices of Nuveen Investments, Inc. (Nuveen or Nuveen Investments), 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, November 22, 2013, at []:[] [] .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 and discussed in greater detail elsewhere in this Joint Proxy Statement/Prospectus. Each Fund is organized as a Massachusetts business trust. The enclosed proxy card and this Joint Proxy Statement/Prospectus are first being sent to shareholders of the Funds on or about [], 2013. Shareholders of record of the Funds as of the close of business on August 26, 2013 are entitled to notice of and to vote at the Annual Meeting and any and all adjournments or postponements thereof.

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

The securities offered by this Joint Proxy Statement/Prospectus have not been approved or disapproved by the Securities and Exchange Commission (SEC), nor has the SEC passed upon the accuracy or adequacy of this Joint Proxy Statement/Prospectus. Any representation to the contrary is a criminal offense.

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 proposals. Shareholders of a Fund who execute proxies may revoke them at any time before they are voted by filing with that Fund 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. Merely attending the Annual Meeting, however, will not revoke any previously submitted proxy.

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

The following table indicates the proposals of each Fund for which the votes of common shareholders of each Fund and preferred shareholders of Dividend Advantage and Dividend Advantage 2 are being solicited pursuant to this Joint Proxy Statement/Prospectus and which shareholders are solicited to vote with respect to each matter. Except as otherwise noted below, the common shareholders of a Fund vote together with the preferred shareholders as a single class.

| | Matter | Common Shares | Preferred Shares |
|--|---|--------------------------|-----------------------------|
| For Shareholders of Investment Quality, | | | |
| 1(a) | the common and preferred shareholders voting as a single class to elect three (3) Class I Board Members, | X | X* |
| 1(b) | the preferred shareholders voting separately to elect two (2) Board Members, | | X* |
| 2(a) | the common and preferred shareholders voting as a single class to approve the Agreement and Plan of Reorganization, | X | X* |
| 2(b) | the preferred shareholders voting separately to approve the Agreement and Plan of Reorganization, | | X* |
| 3(a) | the common and preferred shareholders voting 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, | X | X* |
| 3(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. | X | |
| For Shareholders of Premium Income, | | | |
| 1(a) | the common and preferred shareholders voting as a single class to elect three (3) Class I Board Members, | X | X* |
| 1(b) | the preferred shareholders voting separately to elect two (2) Board Members, | | X* |
| 2(a) | the common and preferred shareholders voting as a single class to approve the Agreement and Plan of Reorganization, | X | X* |
| 2(b) | the preferred shareholders voting separately to approve the Agreement and Plan of Reorganization. | | X* |

| | Matter | Common Shares | Preferred Shares |
|--|---|--------------------------|-----------------------------|
| For Shareholders of Dividend Advantage, | | | |
| 1(a) | the common and preferred shareholders voting as a single class to elect three (3) Class I Board Members, | X | X |
| 1(b) | the preferred shareholders voting separately to elect two (2) Board Members, | | X |
| 2(a) | the common and preferred shareholders voting as a single class to approve the Agreement and Plan of Reorganization, | X | X |
| 2(b) | the preferred shareholders voting separately to approve the Agreement and Plan of Reorganization. | | X |
| For Shareholders of Dividend Advantage 2, | | | |
| 1(a) | the common and preferred shareholders voting as a single class to elect three (3) Class I Board Members, | X | X |
| 1(b) | the preferred shareholders voting separately to elect two (2) Board Members, | | X |
| 2(a) | the common and preferred shareholders voting as a single class to approve the Agreement and Plan of Reorganization, | X | X |
| 2(b) | the preferred shareholders voting separately to approve the Agreement and Plan of Reorganization. | | X |

* The Acquiring Fund and Premium Income are separately soliciting holders of their Variable Rate Demand Preferred Shares (VRDP Shares) through a separate proxy statement and not through this Joint Proxy Statement/Prospectus on each of the foregoing proposals that require preferred shareholders to vote together with common shareholders as a single class or preferred shareholders to vote separately. 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 two Board Member nominees to be elected by holders of preferred shares of each Fund, 33 1/3% of the preferred 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 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.

Those persons who were shareholders of record at the close of business on August 26, 2013 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 [], 2013 the shares of the Funds issued and outstanding are as follows:

| Fund (Ticker Symbol) | Common Shares⁽¹⁾ | VRDP Shares⁽¹⁾ | MTP Shares⁽¹⁾ |
|---------------------------------|--|--------------------------------------|-------------------------------------|
| Acquiring Fund (NQP) | [] | [1,125] | |
| Premium Income (NPY) | [] | [1,050] | |
| Dividend Advantage (NXM) | [] | | [2,319,000] |
| Dividend Advantage 2 (NVY) | [] | | [2,455,000] |

- (1) The common shares of the Acquiring Fund and Premium Income are listed on the New York Stock Exchange (NYSE), and the common shares of Dividend Advantage and Dividend Advantage 2 are listed on the NYSE MKT (formerly NYSE Amex). The MuniFund Term Preferred Shares (MTP Shares) of Dividend Advantage and Dividend Advantage 2 are listed on the NYSE and have the ticker symbols NXM PrC and NVY PrC, respectively. The VRDP Shares of the Acquiring Fund and Premium Income are not listed on any exchange. Upon the closing of the Reorganizations, it is expected that the common shares of the Acquiring Fund will continue to be listed, and the MTP Shares of the Acquiring Fund will be listed, on the NYSE.

The proposed reorganizations seek to combine four Funds that have similar investment objectives, policies and risks to achieve certain economies of scale and other operational efficiencies for the Funds. The Agreement and Plan of Reorganization by and among each Target Fund and the Acquiring Fund provides for: (i) 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 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, or MTP Shares, with a par value of \$0.01 per share and a liquidation preference of \$10 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 (ii) 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 collectively, the Reorganizations). The aggregate net asset value of the Acquiring Fund common shares received by each Target Fund in connection with a Reorganization will equal the aggregate net asset value of the Target Fund common shares held by shareholders of such Target Fund immediately prior to the closing of the Reorganizations. Prior to the Valuation Time (as defined in the Agreement and Plan of Reorganization), the net asset value of each Target Fund and the Acquiring Fund will be reduced by the costs of the Reorganizations borne by such Fund. 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 will receive cash in an amount equal to the value received for such shares in the open market, which may be higher or lower than net asset value. Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VRDP Shares or MTP Shares, as applicable, having substantially identical terms as the outstanding VRDP Shares or MTP Shares, respectively, 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 a 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 the Acquiring Fund's existing outstanding preferred shares as to the payment of dividends and the distribution of assets in the event of the Acquiring Fund's liquidation. 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 payment of dividends and the distribution of assets in the event of the Acquiring Fund's liquidation. 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/Prospectus.

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

The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. In order for the Reorganizations to occur, each Fund must obtain all requisite shareholder approvals as well as certain consents, confirmations and/or waivers from various third parties, including rating agencies with respect to outstanding preferred shares and liquidity providers with respect to outstanding VRDP Shares. Because the closing of the Reorganizations is contingent upon all of the Target Funds and the Acquiring Fund obtaining the requisite 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 approve the Reorganization(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 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 interest of its Fund, including conducting additional solicitations with respect to the proposals or continuing to operate the Fund as a stand-alone fund.

This Joint Proxy Statement/Prospectus concisely sets forth the information shareholders of the Funds should know before voting on the proposals and constitutes an offering of common shares and MTP Shares, 2.10% Series 2015 and 2.15% Series 2015 of the Acquiring Fund only. Shareholders should read it carefully and retain it for future reference.

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

- (i) the Statement of Additional Information relating to the proposed Reorganization, dated [], 2013 (the Reorganization SAI);
- (ii) 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 April 30, 2013; and
- (iii) the audited financial statements and related independent registered public accounting firm's report for each Target Fund and the financial highlights for each Target Fund contained in the Fund's Annual Report for the fiscal year ended April 30, 2013.

No other parts of the Funds' 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. If you wish to request a copy of the Reorganization SAI, please ask for the Reorganization SAI. In addition, the Acquiring 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 Acquiring Fund by calling (800) 257-8787 or by writing the Acquiring Fund 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 1934 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, including the Registration Statement on Form N-14 relating to the common shares and MTP Shares of the Acquiring Fund of which this Joint Proxy Statement/Prospectus is a part, 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 (3 World Financial Center, Suite 400, New York, New York 10281) or Chicago Regional Office (175 W. 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, 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>.

The common shares of the Acquiring Fund and Premium Income are listed on the NYSE, and the common shares of Dividend Advantage and Dividend Advantage 2 are listed on the NYSE MKT. The MTP Shares of Dividend Advantage and Dividend Advantage 2 are listed on the NYSE. The VRDP Shares of the Acquiring Fund and Premium Income are not listed on any exchange. Upon the closing of the Reorganizations, it is expected that the common shares of the Acquiring Fund will continue to be listed, and the MTP Shares of the Acquiring Fund will be listed, on the NYSE. Reports, proxy statements and other information concerning the Funds can be inspected at the offices of the NYSE and NYSE MKT, 11 Wall Street, New York, New York 10005.

This Joint Proxy Statement/Prospectus serves as a prospectus of the Acquiring Fund in connection with the issuance of the Acquiring Fund common shares in each Reorganization and the issuance of Acquiring Fund MTP Shares in the Reorganizations of each of Dividend Advantage and Dividend Advantage 2. In this connection, no person has been authorized to give any information or make any representation not contained in this Joint Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Joint Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

JOINT PROXY STATEMENT/PROSPECTUS

[], 2013

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND (NQP)

NUVEEN PENNSYLVANIA PREMIUM INCOME MUNICIPAL FUND 2 (NPY)

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NXM, NXM PrC)

AND

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVY, NVY PrC)

TABLE OF CONTENTS

| | |
|--|----|
| <u>PROPOSAL NO. 1 THE ELECTION OF BOARD MEMBERS (COMMON SHAREHOLDERS OF EACH FUND AND PREFERRED SHAREHOLDERS OF DIVIDEND ADVANTAGE AND DIVIDEND ADVANTAGE 2)</u> | 1 |
| <u>Board Nominees/Board Members</u> | 2 |
| <u>Compensation</u> | 9 |
| <u>Board Leadership Structure and Risk Oversight</u> | 10 |
| <u>The Officers</u> | 19 |
| <u>PROPOSAL NO. 2 REORGANIZATION OF EACH TARGET FUND INTO THE ACQUIRING FUND (COMMON SHAREHOLDERS OF EACH TARGET FUND AND PREFERRED SHAREHOLDERS OF DIVIDEND ADVANTAGE AND DIVIDEND ADVANTAGE 2)</u> | 22 |
| <u>A. SYNOPSIS</u> | 22 |
| <u>Background and Reasons for the Reorganizations</u> | 23 |
| <u>Material Federal Income Tax Consequences of the Reorganizations</u> | 23 |
| <u>Comparison of the Acquiring Fund and each Target Fund</u> | 24 |
| <u>Comparative Risk Information</u> | 32 |
| <u>Comparative Expense Information</u> | 33 |
| <u>Comparative Performance Information</u> | 34 |
| <u>B. RISK FACTORS</u> | 34 |
| <u>C. INFORMATION ABOUT THE REORGANIZATIONS</u> | 47 |
| <u>General</u> | 47 |
| <u>Terms of the Reorganizations</u> | 48 |
| <u>Reasons for the Reorganizations</u> | 51 |
| <u>Capitalization</u> | 53 |
| <u>Expenses Associated with the Reorganizations</u> | 55 |
| <u>Dissenting Shareholders Rights of Appraisal</u> | 55 |
| <u>Material Federal Income Tax Consequences of the Reorganizations</u> | 55 |
| <u>Votes Required</u> | 58 |
| <u>Description of Common Shares to be Issued by the Acquiring Fund; Comparison to Target Funds</u> | 59 |
| <u>Description of VRDP Shares to be Issued by the Acquiring Fund</u> | 63 |
| <u>Description of MTP Shares to be Issued by the Acquiring Fund</u> | 65 |
| <u>Summary Description of Massachusetts Business Trusts</u> | 83 |
| <u>D. ADDITIONAL INFORMATION ABOUT THE INVESTMENT POLICIES</u> | 86 |
| <u>Comparison of the Investment Objectives and Policies of the Acquiring Fund and the Target Funds</u> | 86 |
| <u>Portfolio Investments</u> | 89 |

TABLE OF CONTENTS

(continued)

| | |
|--|-----|
| <u>PROPOSAL NO. 3 APPROVAL OF ISSUANCE OF ADDITIONAL COMMON SHARES OF ACQUIRING FUND (COMMON SHAREHOLDERS OF THE ACQUIRING FUND)</u> | 96 |
| <u>ADDITIONAL INFORMATION ABOUT THE ACQUIRING FUND</u> | 97 |
| <u>Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws</u> | 97 |
| <u>Repurchase of Common Shares; Conversion to Open-End Fund</u> | 99 |
| <u>Description of Outstanding Acquiring Fund VRDP Shares</u> | 100 |
| <u>Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption Agent</u> | 102 |
| <u>Federal Income Tax Matters Associated with Investment in the Acquiring Fund</u> | 102 |
| <u>Pennsylvania Tax Matters</u> | 105 |
| <u>Net Asset Value</u> | 106 |
| <u>Legal Opinions</u> | 106 |
| <u>Experts</u> | 107 |
| <u>GENERAL INFORMATION</u> | 107 |
| <u>Outstanding Shares of the Acquiring Fund and each Target Fund</u> | 107 |
| <u>Shareholders of the Acquiring Fund and the Target Funds</u> | 108 |
| <u>Audit Committee Report</u> | 109 |
| <u>Appointment of the Independent Registered Public Accounting Firm</u> | 109 |
| <u>Audit and Related Fees</u> | 110 |
| <u>Section 16(a) Beneficial Interest Reporting Compliance</u> | 111 |
| <u>Expenses of Proxy Solicitation</u> | 111 |
| <u>Shareholder Proposals</u> | 112 |
| <u>Shareholder Communications</u> | 112 |
| <u>Fiscal Year</u> | 112 |
| <u>Annual Report Delivery</u> | 112 |
| <u>Other Information</u> | 113 |
| <u>APPENDIX A FORM OF AGREEMENT AND PLAN OF REORGANIZATION</u> | A-1 |
| <u>APPENDIX B FINANCIAL HIGHLIGHTS</u> | B-1 |
| <u>APPENDIX C BENEFICIAL OWNERSHIP</u> | C-1 |
| <u>APPENDIX D NUMBER OF BOARD AND COMMITTEE MEETINGS HELD DURING EACH FUND'S LAST FISCAL YEAR</u> | D-1 |
| <u>APPENDIX E NUVEEN FUND BOARD AUDIT COMMITTEE CHARTER</u> | E-1 |
| <u>APPENDIX F FACTORS AFFECTING MUNICIPAL SECURITIES IN PENNSYLVANIA</u> | F-1 |

PROPOSAL NO. 1 THE ELECTION OF BOARD MEMBERS

(COMMON SHAREHOLDERS OF EACH FUND AND PREFERRED SHAREHOLDERS OF DIVIDEND ADVANTAGE AND DIVIDEND ADVANTAGE 2)

Pursuant to the organizational documents of each 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 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 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.

For each Fund:

- 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 Stringer have been designated as Class I Board Members and are nominees for election at the Annual Meeting for a term expiring at the 2016 annual meeting of shareholders or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2014 or until their successors have been duly elected and qualified. Board Members Bremner and Evans have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2015 or until their successors have been duly elected and qualified.
- b. two (2) Board Members are to be elected by holders of preferred shares, voting separately. Board Members Hunter and Schneider are nominees for election by holders of preferred shares for a term expiring at the next annual meeting or until their successors have been duly elected and qualified.

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 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.

For each Fund, Board Members Amboian, Kundert and Toth were last elected to the Fund's Board as Class II Board Members at the annual meeting of shareholders held on November 15, 2011 and adjourned until December 16, 2011. Board Members Bremner and Evans were last elected to the Fund's Board as Class III Board Members at the annual meeting of shareholders held on November 14, 2012 and adjourned until December 14, 2012. Board Members Stockdale and Stone, each of whom are nominees for election by holders of common and preferred shares, were last elected to each Fund's Board as Class I Board Members at the annual meeting of shareholders held on November 16, 2010. On January 1, 2011, Ms. Stringer, who is a nominee for election by holders of common and preferred shares, was appointed as a Board Member for each Fund and designated as a Class I Board Member with respect to each Fund.

Board Members Hunter and Schneider, who are the nominees for election by the preferred shareholders, were last elected to each Fund's Board at the annual meeting of shareholders held on November 14, 2012 and adjourned until December 14, 2012.

Other than Mr. Amboian (for all Funds), 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 the Board Members 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 unanimously recommends that shareholders vote FOR the re-election of each Board Member identified in the table below as having an Annual Term or designated as a Class I Board Member.

Board Nominees/Board Members

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|---|----------------------------|--|--|---|---|
| Nominees/Board Members who are not interested persons of the Funds | | | | | |
| Robert P. Bremner c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1940) | Board Member | Term: Class III Board Member until 2015 Length of Service: Since 1996; Chairman of the Board (2008-July 1, 2013); Lead Independent Director (2005-2008) | Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute. | 210 | None |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|---|----------------------------|--|--|---|---|
| Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1948) | Board Member | Term: Class III Board Member until 2015 Length of Service: Since 1999 | President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director, Source Media Group; 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, President of the Board of Regents for the State of Iowa University System. | 210 | Director and Chairman, United Fire Group, a publicly held company; formerly, Director, Alliant Energy |
| William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1948) | Board Member | Term: Annual Length of Service: Since 2004 | Dean Emeritus (since June 30, 2012), formerly, Dean (2006-2012), Tippie College of Business, University of Iowa; Director (since 2005) and President, (since July 2012) Beta Gamma Sigma, Inc., The International Business Honor Society; Director, 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). | 210 | 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 ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|---|----------------------------|---|--|---|---|
| <p>David J. Kundert c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1942)</p> | <p>Board Member</p> | <p>Term: Class II Board Member until 2014 Length of Service: Since 2005</p> | <p>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, Friends of Boerner Botanical Gardens; Member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; Member of Board of Directors (Milwaukee), College Possible.</p> | <p>210</p> | <p>None</p> |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|---|---------------------------------------|--|---|---|---|
| William J. Schneider ⁽²⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 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; Member, Mid-America Health System Board; Member, University of Dayton Business School Advisory Council; Board Member of Tech Town, Inc., a not-for-profit community development company; Board Member of WDPR Public Radio; formerly, Senior Partner and Chief Operating Officer (retired, 2004) of Miller-Valentine Group; formerly, Member, Dayton Philharmonic Orchestra Association; formerly, Director, Dayton Development Coalition; formerly, Member, Business Advisory Council, Cleveland Federal Reserve Bank. | 210 | None |
| Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1947) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 1997 | Formerly, Executive Director, Gaylord and Dorothy Donnelley Foundation (1994-2012); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994). | 210 | None |
| Carole E. Stone c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1947) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 2007 | Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007). | 210 | Director, Chicago Board Options Exchange (since 2006) |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|--|----------------------------|--|---|---|---|
| Virginia L. Stringer c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1944) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 2011 | Board Member, Mutual Fund Directors Forum; former Member, Governing Board, Investment Company Institute s Independent Directors Council; former Owner and President, Strategic Management Resources, Inc. a management consulting firm; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company. | 210 | Previously, Independent Director (1987-2010) and Chair (1997-2010), First American Fund Complex |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 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 ⁽³⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1959) | Board Member | Term: Class II Board Member until 2014 | 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 a member 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). | 210 | None |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ of the Funds | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member | Other Directorships Held by Board Member During the Past Five Years |
|--|----------------------------|---|---|---|---|
| John P. Amboian ⁽⁴⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1961) | Board Member | Term: Class II Board Member until 2014 Length of Service: Since 2008 | Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc.; Chairman, Chief Executive Officer (since 2007) and President of Nuveen Investments Advisors, Inc.; formerly, Director (1998-2012), Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, Inc. | 210 | 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, LLC, 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) Interested person as defined in the 1940 Act, by reason of his positions with Nuveen Investments LLC and certain of its subsidiaries. The dollar range of equity securities beneficially owned by each Board Member in each Fund and all Nuveen funds overseen by the Board Member as of June 30, 2013 is set forth in Appendix C. The number of shares of each Fund beneficially owned by each Board Member and by the Board Members and officers of the Funds as a group as of June 30, 2013 is set forth in Appendix C. As of June 30, 2013, 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 each Fund. As of June 30, 2013, the Board Members and executive officers as a group beneficially owned less than 1% of the outstanding shares of each 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.

Compensation

Effective January 1, 2013, Independent Board Members receive a \$140,000 annual retainer plus: (a) a fee of \$4,500 per day for attendance in person or by telephone at regularly scheduled meetings of the Board; (b) 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; (c) 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; (d) a fee of \$2,500 per meeting for attendance in person or by telephone at Compliance, Risk Management and Regulatory Oversight 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; (e) a fee of \$1,000 per meeting for attendance in person or by telephone at Dividend Committee meetings; (f) 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 (g) 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 Chairman of the Board receives \$75,000, the chairpersons of the Audit Committee, the Dividend Committee, the Compliance, Risk Management and Regulatory Oversight Committee and the Closed-End Funds Committee receive \$12,500 each and the chairperson of the Nominating and Governance Committee receives \$5,000 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 committee; 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 the Board Member of each Fund 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 each Board Member nominee for its last fiscal year:

Aggregate Compensation from the Funds⁽¹⁾

| Fund | Robert P. Bremner | Jack B. Evans | William C. Hunter | David J. Kundert | William J. Schneider | Judith M. Stockdale | Carole E. Stone | Virginia L. Stringer | Terence J. Toth |
|--|-------------------|---------------|-------------------|------------------|----------------------|---------------------|-----------------|----------------------|-----------------|
| Acquiring Fund | \$ 1,244 | \$ 935 | \$ 851 | \$ 1,021 | \$ 1,073 | \$ 1,003 | \$ 915 | \$ 854 | \$ 987 |
| Premium Income | 1,146 | 861 | 783 | 940 | 988 | 924 | 842 | 786 | 909 |
| Dividend Advantage | 244 | 186 | 173 | 192 | 204 | 188 | 185 | 174 | 200 |
| Dividend Advantage 2 | 265 | 203 | 188 | 209 | 221 | 204 | 202 | 189 | 218 |
| Total Compensation from Nuveen Funds Paid to Board Members/Nominees ⁽²⁾ | \$ 343,204 | \$ 262,670 | \$ 240,509 | \$ 267,712 | \$ 284,299 | \$ 261,411 | \$ 263,100 | \$ 248,600 | \$ 298,475 |

(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 | Robert P. Bremner | Jack B. Evans | William C. Hunter | David J. Kundert | William J. Schneider | Judith M. Stockdale | Carole E. Stone | Virginia L. Stringer | Terence J. Toth |
|----------------------|-------------------|---------------|-------------------|------------------|----------------------|---------------------|-----------------|----------------------|-----------------|
| Acquiring Fund | \$ 195 | \$ 237 | \$ | \$ 1,021 | \$ 1,073 | \$ 531 | \$ 108 | \$ | \$ 58 |
| Premium Income | 179 | 218 | | 940 | 988 | 488 | 100 | | 54 |
| Dividend Advantage | | | | | | | | | |
| Dividend Advantage 2 | | | | | | | | | |

(2) Based on the total compensation paid, including deferred fees (including the return from the assumed investment in the eligible Nuveen funds), to the Board Members for the calendar year ended December 31, 2012 for services to the Nuveen open-end and closed-end funds advised by the Adviser.

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

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

In an effort to enhance the independence of the Board, the Board also has a Chairman that is an Independent Board Member. The Board recognizes that a chairman can perform an important role in setting the agenda for the Board, establishing the boardroom culture, establishing a point person on behalf of the Board for Fund management, and reinforcing the Board's focus on the long-term interests of shareholders. The Board recognizes that a chairman may be able to better perform these functions without any conflicts of interests arising from a position with Fund management. Accordingly, the Board Members have elected William J. Schneider as the independent Chairman of the Board, effective July 1, 2013. Specific responsibilities of the Chairman include: (i) presiding at all meetings of the Board and of the shareholders; (ii) seeing that all orders and resolutions of the Board Members are carried into effect; and (iii) maintaining records of and, whenever necessary, certifying all proceedings of the Board Members and the shareholders.

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

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

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

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. The members of the Closed-End Funds Committee are Robert P. Bremner, Jack B. Evans, William C. Hunter, William J. Schneider and Carole E. Stone, Chair. The number of Closed-End Funds Committee meetings of each Fund held during its last fiscal year is shown in Appendix D.

The Open-End Funds Committee is responsible for assisting the Board in the oversight and monitoring of the Nuveen Funds that are registered as open-end management investment companies (Open-End Funds). The committee may review and evaluate matters related to the formation and the initial presentation to the Board of any new Open-End Fund and may review and evaluate any matters relating to any existing Open-End Fund. The committee operates under a written charter adopted and approved by the Board. The members of the Open-End Funds Committee are David J. Kundert, William J. Schneider, Judith M. Stockdale, Virginia L. Stringer and Terence J. Toth, Chair.

The Board has an Audit Committee, in accordance with Section 3(a)(58)(A) of the 1934 Act, that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the 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. The members of the Audit Committee are Robert P. Bremner, David J. Kundert, Chair, William J. Schneider, Carole E. Stone and Terence J. Toth, each of whom is an Independent Board Member of the Funds. A copy of the Charter is attached as Appendix F. The number of Audit Committee meetings of each Fund held during its last fiscal year is shown in Appendix D.

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 responds thereto; and performs any special reviews, investigations or other oversight responsibilities relating to risk management, compliance and/or regulatory matters as requested by the Board.

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

The Nominating and Governance Committee is responsible for seeking, identifying and recommending to the Board qualified candidates for election or appointment to the Board. In addition, the Nominating and Governance Committee oversees matters of corporate governance, including the evaluation of Board performance and processes, the assignment and rotation of committee members, and the establishment of corporate governance guidelines and procedures, to the extent necessary or desirable, and matters related thereto. Although the unitary and committee structure has been developed over the years and the Nominating and Governance Committee believes the structure has provided efficient and effective governance, the committee recognizes that, as demands on the Board evolve over time (such as through an increase in the number of funds overseen or an increase in the complexity of the issues raised), the committee must continue to evaluate the Board and committee structures and their processes and modify the foregoing as may be necessary or appropriate to continue

to provide effective governance. Accordingly, the Nominating and Governance Committee has a separate meeting each year to, among other things, review the Board and committee structures, their performance and functions, and recommend any modifications thereto or alternative structures or processes that would enhance the Board's governance over the Funds' business.

In addition, the Nominating and Governance Committee, among other things: makes recommendations concerning the continuing education of Board Members; monitors performance of legal counsel and other service providers; establishes and monitors a process by which security holders are able to communicate in writing with Board Members; and periodically reviews and makes recommendations about any appropriate changes to Board Member compensation. In the event of a vacancy on the Board, the Nominating and Governance Committee receives suggestions from various sources, including shareholders, as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The Nominating and Governance Committee sets appropriate standards and requirements for nominations for new Board Members and each nominee is evaluated 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. All candidates, however, must meet high expectations of personal integrity, independence, governance experience and professional competence. All candidates must be willing to be critical within the Board and with management and yet maintain a collegial and collaborative manner toward other Board Members. The Nominating and Governance Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Funds' website at www.nuveen.com/CEF/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 Robert P. Bremner, Chair, Jack B. Evans, William C. Hunter, David J. Kundert, William J. Schneider, Judith M. Stockdale, Carole E. Stone, Virginia L. Stringer and Terence J. Toth. The number of Nominating and Governance Committee meetings of each Fund held during its last fiscal year is shown in Appendix D.

The number of regular quarterly meetings and special meetings held by the Board of each Fund during the Fund's last fiscal year is shown in Appendix D. 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.

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 shall not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

John P. Amboian

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

Robert P. Bremner

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

Jack B. Evans

President of the Hall-Perrine Foundation, a private philanthropic corporation, since 1996, Mr. Evans was formerly President and Chief Operating Officer of the SCI Financial Group, Inc., a regional financial services firm headquartered in Cedar Rapids, Iowa. Formerly, he was a member of the Board of the Federal Reserve Bank of Chicago a Director of Alliant Energy and President 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 Source Media Group 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.

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 Henry B. Tippie College of Business at the University of Iowa on July 1, 2006. He was previously Dean and Distinguished Professor of Finance at the University of Connecticut School of Business since June 2003. From 1995 to 2003, he was the Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago. While there he served as the Bank's Chief Economist and was an Associate Economist on the Federal Reserve System's Federal Open Market Committee (FOMC). In addition to serving as a Vice President in charge of financial markets and basic research at the Federal Reserve Bank in Atlanta, he held faculty positions at Emory University, Atlanta University, the University of Georgia and Northwestern University. A past Director of the Credit Research Center at Georgetown University, 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 Director and President of Beta Gamma Sigma, Inc., The International Business Honor Society.

David J. Kundert

Mr. Kundert retired in 2004 as Chairman of JPMorgan Fleming Asset Management, as President and CEO of Banc One Investment Advisors Corporation, and as President of One Group Mutual Funds. Prior to the merger between Bank One Corporation and JPMorgan Chase and Co., he was Executive Vice President, Bank One Corporation and, since 1995, the Chairman and CEO, Banc One Investment Management Group. From 1988 to 1992, he was President and CEO of Bank One Wisconsin Trust Company. 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 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. He received his Bachelor of Arts degree from Luther College and his Juris Doctor from Valparaiso University.

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 Ltd., a real

estate investment company. He is also a Member of two Miller Valentine real estate LLC companies. Mr. Schneider is a member of the Business Advisory Council for the University of Dayton College of Business. He is also a Board Member of Tech Town, Inc., a not-for-profit community development company, and a Board Member of WDPR Public Radio. 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 an independent trustee of the Flagship Funds, a group of municipal open-end funds. He also served as Chair of the Miami Valley Hospital and as Chair of the Finance Committee of its parent holding company. Mr. Schneider has a Bachelor of Science in Community Planning from the University of Cincinnati and a Masters of Public Administration from the University of Dayton.

Judith M. Stockdale

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

Carole E. Stone

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

Virginia L. Stringer

Ms. Stringer served as the independent chair of the Board of the First American Fund Complex from 1997 to 2010, having joined such Board in 1987. Ms. Stringer serves on the Board of the Mutual Fund Directors Forum. She is a recipient of the Outstanding Corporate Director award from Twin Cities Business Monthly and the Minnesota Chapter of the National Association of Corporate Directors. Ms. Stringer is the past board chair of the Oak Leaf Trust, director emeritus and former Chair of the Saint Paul Riverfront Corporation and also served as President of the Minneapolis Club's Governing Board. She is a director and former board chair of the Minnesota Opera and a Life Trustee and former board member of the Voyageur Outward Bound School. She also served as a trustee of Outward Bound USA. She was appointed by the Governor of Minnesota to the Board on Judicial Standards and also served on a Minnesota Supreme Court Judicial Advisory Committee to reform the state's judicial disciplinary process. She is a member of the International Women's Forum and

attended the London Business School as an International Business Fellow. Ms. Stringer recently served as board chair of the Human Resource Planning Society, the Minnesota Women's Campaign Fund and the Minnesota Women's Economic Roundtable. Ms. Stringer is the retired founder of Strategic Management Resources, a consulting practice focused on corporate governance, strategy and leadership. She has twenty five years of corporate experience, having held executive positions in general management, marketing and human resources with IBM and the Pillsbury Company.

Terence J. Toth

Mr. Toth is a Managing Partner at 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 a member 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.

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

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

The Officers

The following table sets forth information with respect to each officer of the Funds. Officers receive no compensation from the Funds. The officers are elected by the Board on an annual basis to serve until successors are elected and qualified. Unless otherwise noted, the following information is as of July 15, 2013.

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Served by Officer |
|--|------------------------------|---|---|--|
| Gifford R. Zimmerman 333 West Wacker Drive Chicago, IL 60606 (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); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC and Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of Santa Barbara Asset Management, LLC (since 2006) and of Winslow Capital Management, LLC (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2010) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst. | 210 |
| William Adams IV 333 West Wacker Drive Chicago, IL 60606 (1955) | Vice President | Term: Annual Length of Service: Since 2007 | Senior Executive Vice President, Global Structured Products (since 2010) of Nuveen Investments, Inc.; formerly, Executive Vice President (1999-2010) 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. | 103 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Served by Officer |
|---|-------------------------------|---|---|--|
| Cedric H. Antosiewicz 333 West Wacker Drive Chicago, IL 60606 (1962) | Vice President | Term: Annual Length of Service: Since 2007 | Managing Director (since 2004) of Nuveen Securities LLC.103 | 103 |
| Margo L. Cook 333 West Wacker Drive Chicago, IL 60606 (1964) | Vice President | Term: Annual Length of Service: Since 2009 | Executive Vice President (since 2008) of Nuveen Investments, Inc., Nuveen Fund Advisors, LLC (since 2011) and Nuveen Securities, LLC (since 2013); Executive Vice President of Nuveen Securities, LLC; Managing Director Investment Services of Nuveen Commodities Asset Management, LLC (since 2011); previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Mgt. (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst. | 210 |
| Lorna C. Ferguson 333 West Wacker Drive Chicago, IL 60606 (1945) | Vice President | Term: Annual Length of Service: Since 1998 | Managing Director of Nuveen Investments Holdings, Inc. | 210 |
| Stephen D. Foy 333 West Wacker Drive Chicago, IL 60606 (1954) | Vice President and Controller | Term: Annual Length of Service: Since 1993 | Senior Vice President (since 2013), formerly, Vice President of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); formerly, Senior Vice President (2010-2011), formerly, Vice President (2005-2010) and Funds Controller of Nuveen Securities, LLC; Certified Public Accountant. | 210 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Served by Officer |
|---|---|---|--|--|
| Scott S. Grace 333 West Wacker Drive Chicago, IL 60606 (1970) | Vice President and Treasurer | Term: Annual Length of Service: Since 2009 | Managing Director and Treasurer (since 2009) of Nuveen Fund Advisors, LLC, Nuveen Investments Advisers Inc., Nuveen Investments Holdings, Inc., Nuveen Securities, LLC and (since 2011) Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation. | 210 |
| Walter M. Kelly 333 West Wacker Drive Chicago, IL 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. | 210 |
| Tina M. Lazar 333 West Wacker Drive Chicago, IL 60606 (1961) | Vice President | Term: Annual Length of Service: Since 2002 | Senior Vice President of Nuveen Investments Holdings, Inc. | 210 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Served by Officer |
|--|--|---|--|--|
| Kevin J. McCarthy 333 West Wacker Drive Chicago, IL 60606 (1966) | Vice President and Secretary | Term: Annual Length of Service: Since 2007 | Managing Director and Assistant Secretary (since 2008) of Nuveen Securities, LLC and Nuveen Investments, Inc.; Managing Director (since 2008), Assistant Secretary (since 2007) 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; Managing Director (since 2008) and Assistant Secretary of Nuveen Investments Holdings, Inc. and Nuveen Investments Advisers Inc.; Vice President (since 2007) and Assistant Secretary of NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC and (since 2010) Winslow Capital Management, LLC; Vice President (since 2010) and Assistant Secretary of Nuveen Commodities Asset Management, LLC. | 210 |
| Kathleen L. Prudhomme 901 Marquette Avenue Minneapolis, MN 55402 (1953) | Vice President and Assistant Secretary | Term: Annual Length of Service: Since 2011 | Managing Director and Assistant Secretary of Nuveen Securities, LLC (since 2011); Managing Director, Assistant Secretary and Associate 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). | 210 |

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

PROPOSAL NO. 2 REORGANIZATION OF EACH TARGET FUND INTO

THE ACQUIRING FUND (COMMON SHAREHOLDERS OF EACH TARGET FUND AND PREFERRED SHAREHOLDERS OF DIVIDEND ADVANTAGE AND DIVIDEND ADVANTAGE 2)

A. SYNOPSIS

The following is a summary of certain information contained elsewhere in this Joint Proxy Statement/Prospectus with respect to the proposed Reorganizations and is qualified in its entirety by reference to the more complete information contained in this Joint Proxy Statement/Prospectus and in

the Reorganization SAI and the appendices thereto. Shareholders should read the entire Joint Proxy Statement/Prospectus carefully. Certain capitalized terms used but not defined in this summary are defined elsewhere in this Joint Proxy Statement/Prospectus.

Background and Reasons for the Reorganizations

The Board of Nuveen's municipal closed-end funds has approved a series of mergers of single-state municipal closed-end funds, including 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 its Fund. Each Fund's Board considered the Reorganization(s) as part of a broad initiative to rationalize the product offerings of Nuveen funds and eliminate overlapping products. The Acquiring Fund and each Target Fund have similar investment objectives and policies, and substantially similar portfolio compositions. The proposed Reorganizations are intended to result in a lower effective management fee rate based on managed assets and lower total expenses per common share (excluding the costs of leverage) due to economies of scale resulting from the larger size of the combined fund and to enhance the secondary trading market for common shares of the Acquiring Fund as a result of the greater share volume of the combined fund. In order for the Reorganizations to occur, each Fund must obtain all requisite shareholder approvals as well as certain consents, confirmations and/or waivers from various third parties, including rating agencies with respect to outstanding preferred shares and liquidity providers with respect to outstanding VRDP Shares. Because the closing of the Reorganizations is contingent upon all of the Target Funds and the Acquiring Fund obtaining the requisite 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 approve the Reorganization(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 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 interest of its Fund, including conducting additional solicitations with respect to the proposals or continuing to operate the Fund as a stand-alone fund. For a fuller discussion of the Boards' considerations regarding the approval of the Reorganizations, see Proposal No. 2 Information About the Reorganizations Reasons for the Reorganizations.

Material Federal Income Tax Consequences of the Reorganizations

As a condition to closing, the Funds will receive an opinion of Vedder Price P.C., subject to certain representations, assumptions and conditions, substantially to the effect that each proposed Reorganization will qualify as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"). In addition, each of Sidley Austin LLP (with respect to the VRDP Shares) and K&L Gates LLP (with respect to the MTP Shares), as special tax counsel to the Acquiring Fund, will deliver an opinion to the Acquiring Fund, subject to certain representations, assumptions and conditions, substantially to the effect that the Acquiring Fund preferred shares received in connection with the Reorganizations by holders of the preferred shares of the Target Funds will qualify as equity in the Acquiring Fund for federal income tax purposes. 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 common shareholders of a Target Fund who receive Acquiring Fund common shares pursuant to a Reorganization will recognize no gain or loss for federal income tax purposes, except that gain or loss may be recognized with respect to any cash received in lieu of fractional Acquiring Fund common shares being distributed. Prior to the closing of the Reorganizations, each Target Fund expects to declare a distribution of all of its net investment income

and net capital gains, if any. All or a portion of such a distribution may be taxable to a Target Fund's shareholders for federal income tax purposes. In addition, to the extent that a Target Fund's portfolio securities are sold in connection with a Reorganization, such Target Fund may realize gains or losses, which may increase or decrease the net capital gain or net investment income to be distributed by the Target Fund. However, since each Target Fund's current portfolio composition is substantially similar to that of the Acquiring Fund, it is not currently expected that any significant portfolio sales will occur solely in connection with the Reorganizations (less than 5% of the assets of each Target Fund).

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 and each Fund.

| Fund | Organization | | State of Organization | Entity Type |
|----------------------|-------------------|--|-----------------------|----------------|
| | Organization Date | | | |
| Acquiring Fund | December 19, 1990 | | Massachusetts | business trust |
| Premium Income | February 1, 1993 | | Massachusetts | business trust |
| Dividend Advantage | June 1, 1999 | | Massachusetts | business trust |
| Dividend Advantage 2 | April 19, 2001 | | Massachusetts | business trust |

Capitalization Common Shares

| Fund | Authorized Shares | Shares Outstanding ⁽¹⁾ | Par Value Per Share | Preemptive, Conversion or Exchange Rights | Rights to Cumulative Voting | Exchange |
|----------------------|-------------------|-----------------------------------|---------------------|---|-----------------------------|-----------------------------------|
| | | | | | | on which Common Shares are Listed |
| Acquiring Fund | Unlimited | [] | \$ 0.01 | None | None | NYSE |
| Premium Income | Unlimited | [] | \$ 0.01 | None | None | NYSE |
| Dividend Advantage | Unlimited | [] | \$ 0.01 | None | None | NYSE MKT |
| Dividend Advantage 2 | Unlimited | [] | \$ 0.01 | None | None | NYSE MKT |

(1) As of [], 2013.

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.

The Acquiring Fund currently has outstanding 1,125 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share (Outstanding VRDP Shares), which will remain outstanding following the completion of the Reorganizations. Premium Income currently has outstanding 1,050 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share. Dividend Advantage currently has outstanding 2,319,000 2.10% Series 2015 MTP Shares, with a par value of \$0.01 per share, a liquidation preference of \$10 per share and a total liquidation value of \$23,190,000. Dividend Advantage 2 currently has outstanding 2,455,000 2.15% Series 2015 MTP Shares, with a par value of \$0.01 per share, a liquidation preference of \$10 per share and a total liquidation value of \$24,550,000. VRDP Shares and MTP 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 the Acquiring Fund's existing outstanding preferred shares as to the payment of dividends and as to the distribution of assets in the event of the Acquiring Fund's liquidation. 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 as to the distribution of assets in the event of the Acquiring Fund's liquidation. 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 to those of the outstanding Target Fund preferred shares for which they are exchanged.

Investment Objectives and Policies. The Funds have similar investment objectives and policies. The Acquiring Fund's primary investment objective is to provide, through investment in a professionally managed portfolio of investment-grade tax-exempt municipal securities, current income exempt from both regular federal and Pennsylvania income taxes, consistent with the Fund's investment policies. The secondary investment objective of the Acquiring Fund is the enhancement of portfolio value relative to the Pennsylvania municipal bond market through investments in tax-exempt Pennsylvania municipal securities that, in the opinion of the Adviser, are underrated or undervalued or that represent municipal markets that are undervalued. With the exception of the reference to investment-grade in the Acquiring Fund's primary investment objective, the investment objectives of Premium Income substantially are the same as those of the Acquiring Fund. (As described more fully below, it is a non-fundamental policy of each Fund to invest, under normal circumstances, at least 80% of its managed assets in investment-grade securities.) Although the investment objectives of Dividend Advantage and Dividend Advantage 2 are not designated as primary and secondary components, they are otherwise consistent with those of the Acquiring Fund and Premium Income. For each of Dividend Advantage and Dividend Advantage 2, the investment objectives are to provide current income exempt from regular federal and Pennsylvania income tax and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued.

It is a fundamental policy of each Fund that, under normal circumstances, the Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding (Managed Assets) in municipal securities and other related investments that pay interest exempt from regular federal and Pennsylvania income taxes.

As a non-fundamental policy, under normal circumstances, each Fund will invest at least 80% of its Managed Assets in investment-grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one nationally recognized statistical rating organization (NRSRO) or are unrated but judged to be of comparable quality by Nuveen Asset Management, LLC (Nuveen Asset Management or the Sub-Adviser), the sub-adviser to each Fund. Also, as a non-fundamental policy, each Fund may invest up to 20% of its Managed Assets in municipal securities that, at the time of investment, are rated below investment grade or are unrated but judged to be of comparable quality by the Sub-Adviser. Additionally, as a non-fundamental policy, no more than 10% of each Fund's Managed Assets may be invested in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by the Sub-Adviser.

Securities of below investment grade quality (Ba/BB or below) are commonly referred to as junk bonds. Issuers of securities rated Ba/BB or B are regarded as having current capacity to make principal and interest payments but are subject to business, financial or economic conditions which could adversely affect such payment capacity. Municipal securities rated below investment grade quality are obligations of issuers that are considered predominately speculative with respect to the

issuer's capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of issuer default and bankruptcy and increased market price volatility. Municipal securities rated below investment grade tend to be less marketable than higher-quality securities because the market for them is less broad. The market for unrated municipal securities is even narrower. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and a Fund may have greater difficulty selling its portfolio securities. A Fund will be more dependent on the Sub-Adviser's research and analysis when investing in these securities. Municipal securities rated Baa or BBB are considered investment grade securities; municipal securities rated Baa are considered medium grade obligations which lack outstanding investment characteristics and have speculative characteristics, while municipal securities rated BBB are regarded as having adequate capacity to pay principal and interest. Municipal securities rated AAA in which a Fund may invest may have been so rated on the basis of the existence of insurance guaranteeing the timely payment, when due, of all principal and interest.

The foregoing credit quality policies apply only at the time a security is purchased, and a Fund is not required to dispose of a security in the event that a rating agency downgrades its assessment of the credit characteristics of a particular issuer or that valuation changes of various bonds cause a Fund's portfolio to fail to satisfy those policies. In determining whether to retain or sell such a security, the Adviser and/or the Sub-Adviser may consider such factors as the Adviser's and/or the Sub-Adviser's assessment of the credit quality of the issuer of such security, the price at which such security could be sold and the rating, if any, assigned to such security by other rating agencies.

Each Fund will primarily invest in municipal securities with long-term maturities in order to maintain a weighted average maturity of 15-30 years, but the average weighted maturity of obligations held by a Fund may be shortened, depending on market conditions. As a result, a Fund's portfolio at any given time may include both long-term and intermediate-term municipal securities. Moreover, during temporary defensive periods (e.g., times when, in the Adviser's and/or the Sub-Adviser's opinion, temporary imbalances of supply and demand or other temporary dislocations in the tax-exempt bond market adversely affect the price at which long-term or intermediate-term municipal securities are available), and in order to keep a Fund's cash fully invested, a Fund may invest any percentage of its net assets in short-term investments including high quality, short-term debt securities that may be either tax-exempt or taxable and up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds) that invest primarily in municipal securities of the types in which a Fund may invest directly. A Fund will generally select obligations which may not be redeemed at the option of the issuer for approximately seven to nine years.

No Fund has established a limit on the percentage of its portfolio that may be invested in municipal bonds subject to the alternative minimum tax provisions of federal tax law, and each Fund expects that a substantial portion of the income it produces may be includable in alternative minimum taxable income.

Each Fund may purchase municipal securities that are additionally secured by insurance, bank credit agreements or escrow accounts. The credit quality of companies that provide such credit enhancements will affect the value of those securities. Although the insurance feature may reduce certain financial risks, the premiums for insurance and the higher market price paid for insured obligations may reduce a Fund's income. A municipal security with an insurance feature will be deemed to have the rating of its insurer. The insurance feature does not guarantee the market value of the insured obligations, and the effectiveness and value of the insurance itself is dependent on the continued creditworthiness of the insurer.

Each Fund may enter into certain derivative instruments in pursuit of its investment objectives, including to seek to enhance return, to hedge some of the risk of the Fund's investments in municipal securities or as a substitute for a position in the underlying asset. 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. A 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 futures contracts or related options.

Each Fund may invest in inverse floating rate securities. With respect to Dividend Advantage and Dividend Advantage 2, such investments may not exceed 15% of the Fund's Managed Assets. Inverse floating rate securities represent a leveraged investment in the underlying municipal bond deposited. Inverse floating rate securities offer the opportunity for higher income than the underlying bond, but will subject the Fund to the risk of lower or even no income if short-term interest rates rise sufficiently. By investing in an inverse floating rate security rather than directly in the underlying bond, the Fund will experience a greater increase in its common share net asset value if the underlying municipal bond increases in value, but will also experience a correspondingly larger decline in its common share net asset value if the underlying bond declines in value.

Each Fund may borrow money for the repurchase of its shares or for temporary or emergency purposes, such as for the payment of dividends or the settlement of portfolio transactions.

Credit Quality. A comparison of the credit quality (as a percentage of total investment exposure to municipal bonds, which includes the leveraged effect of the Funds' investments in tender option bond trusts) of the respective portfolios of the Acquiring Fund and each Target Fund, as of April 30, 2013, is set forth in the table below.

| Credit Rating⁽¹⁾ | Acquiring Fund⁽²⁾ | Premium Income⁽²⁾ | Dividend Advantage⁽²⁾ | Dividend Advantage 2⁽²⁾ | Combined Fund Pro Forma⁽²⁾⁽³⁾ |
|------------------------------------|-------------------------------------|-------------------------------------|---|---|---|
| Aaa/AAA | 9.6% | 10.2% | 4.7% | 6.2% | 9.1% |
| Aa/AA | 43.7% | 42.5% | 45.9% | 38.7% | 43.0% |
| A/A | 27.1% | 22.7% | 18.3% | 24.0% | 24.3% |
| Baa/BBB | 13.1% | 14.9% | 19.1% | 19.4% | 14.9% |
| Ba/BB or lower | 1.8% | 2.4% | 2.2% | 2.2% | 2.1% |
| N/R | 3.3% | 5.8% | 7.9% | 7.5% | 5.0% |

(1) Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (S&P), Moody's Investors Service, Inc. (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) Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

(3) Reflects the effect of the Reorganizations.

Leverage. Each Fund may utilize the following forms of leverage: (a) portfolio investments that have the economic effect of leverage, including but not limited to investments in futures, options and inverse floating rate securities, (b) bank borrowings, and (c) the issuance of preferred shares. Each

Fund currently engages in leverage through the issuance of preferred shares and the use of inverse floaters. Certain important ratios related to each Fund's use of leverage for the last three fiscal years for which financial statements are available are set forth below:

| Acquiring Fund | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Asset Coverage Ratio | 332.17% | 325.72% | 301.69% |
| Regulatory Leverage Ratio ⁽¹⁾ | 30.10% | 30.70% | 33.15% |
| Effective Leverage Ratio ⁽²⁾ | 37.52% | 37.61% | 39.62% |

| Premium Income | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Asset Coverage Ratio | 329.94% | 336.04% | 310.84% |
| Regulatory Leverage Ratio ⁽¹⁾ | 30.31% | 29.76% | 32.17% |
| Effective Leverage Ratio ⁽²⁾ | 35.90% | 35.57% | 36.66% |

| Dividend Advantage | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Asset Coverage Ratio | 326.92% | 321.17% | 300.61% |
| Regulatory Leverage Ratio ⁽¹⁾ | 30.59% | 31.14% | 33.27% |
| Effective Leverage Ratio ⁽²⁾ | 33.65% | 34.20% | 34.27% |

| Dividend Advantage 2 | 2013 | 2012 | 2011 |
|--|-------------|-------------|-------------|
| Asset Coverage Ratio | 335.81% | 330.46% | 313.73% |
| Regulatory Leverage Ratio ⁽¹⁾ | 29.78% | 30.26% | 31.87% |
| Effective Leverage Ratio ⁽²⁾ | 35.89% | 35.66% | 35.53% |

(1) 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.

(2) 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 Adviser under an investment management agreement between the Adviser and each Fund (an "Investment Management Agreement"), is the responsibility of its Board. Each Fund currently has ten (10) trustees, one (1) of whom is an "interested person" (as defined in the 1940 Act) and nine (9) of whom are not interested persons (the "independent trustees"). 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."

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 the 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, IL 60606.

Nuveen Fund Advisors, a registered investment adviser, is a wholly-owned subsidiary of Nuveen Investments, Inc. Founded in 1898, Nuveen Investments and its affiliates had approximately \$224 billion in assets under management as of March 31, 2013. On November 13, 2007, Nuveen Investments was acquired by investors led by Madison Dearborn Partners, LLC (the "MDP Acquisition").

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, IL 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 will be compensated for the services it provides to the Funds with a portion of the management fee Nuveen Fund Advisors receives from the Fund. Nuveen Fund Advisors and Nuveen Asset Management retain the right to reallocate investment advisory responsibilities and fees between themselves in the future.

Each Fund is dependent upon services and resources provided by the Adviser, the Sub-Adviser and, therefore, the Adviser's parent, Nuveen Investments. Nuveen Investments significantly increased its level of debt in connection with the MDP Acquisition. While Nuveen Investments believes that monies generated from operations and cash on hand will be adequate to fund debt service requirements, capital expenditures and working capital requirements for the foreseeable future, there can be no assurance that Nuveen Investments' business will generate sufficient cash flow from operations or that future borrowings will be available in an amount sufficient to enable Nuveen Investments to pay its indebtedness (with scheduled maturities beginning in 2014) or to fund its other liquidity needs. Nuveen Investments believes that potential adverse changes to its overall financial position and business operations would not adversely affect its or its affiliate's portfolio management operations and would not otherwise adversely affect its ability to fulfill its obligations to the Funds under the Investment Management Agreements.

Unless earlier terminated as described below, each Fund's Investment Management Agreement with Nuveen Fund Advisors will remain in effect until August 1, 2014. 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 Trustees 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. The Fund's management fee consists of two components: a complex-level component, based on the aggregate amount of all eligible fund assets managed by Nuveen Fund Advisors, and a specific fund-level component, based only on the amount of Managed 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.

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

Management Fee Schedule for the Acquiring Fund and Premium Income

| Average Daily Managed Assets* | Fund-Level Fee Rate |
|--------------------------------------|----------------------------|
| 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 managed assets over \$5 billion | 0.3750% |

Management Fee Schedule for Dividend Advantage and Dividend Advantage 2

| Average Daily Managed Assets* | Fund-Level Fee Rate |
|--------------------------------------|----------------------------|
| 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 managed assets over \$2 billion | 0.3750% |

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, and taxes, if any. For the services provided pursuant to an investment 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 breakpoints, waivers and reimbursements) paid by the Funds to Nuveen Fund Advisors.

Due to the increased size of the combined fund, 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. 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 U.S., as stated in the table below. As of April 30, 2013, the complex-level fee rate for each of these Funds was 0.1661%.

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 financial leverage. For these purposes, financial 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 a determined amount (originally \$2 billion) added to the Nuveen Fund complex in connection with Nuveen Fund Advisors' 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 Investment Management Agreement and the Sub-Advisory Agreement is included in the Fund's Semi-Annual Report for the fiscal period ended October 31, 2012.

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 Funds using a team of analysts and a portfolio manager that focuses on a specific group of funds. Paul Brennan, CFA, CPA, is the portfolio manager of the Acquiring Fund and each Target Fund. Additional information regarding the portfolio manager's compensation, other accounts managed and ownership of securities is contained in the Reorganization SAI. Mr. Brennan assumed portfolio management responsibility for each Fund in 2011. Mr. Brennan will continue to manage the Acquiring Fund upon completion of the Reorganizations.

Mr. Brennan is Senior Vice President of Nuveen Asset Management. Mr. Brennan manages several Nuveen municipal national and state mutual funds and closed-end bond funds. He 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. He earned his B.S. in Accountancy and Finance from Wright State University. He is a CPA, has earned the Chartered Financial Analyst (CFA) designation, and currently sits on the Nuveen Asset Management Investment Management Committee. Mr. Brennan manages 22 Nuveen-sponsored investment companies, with a total of approximately \$15.03 billion under management as of June 30, 2013.

Comparative Risk Information

Because the Funds have similar investment strategies, the principal risks of each Fund are similar. Each Fund is subject to various risks associated with investing primarily in a portfolio of municipal securities, including credit risk, interest rate risk, income risk, municipal securities market risk, prepayment or extension risk, reinvestment risk and liquidity risk. Credit risk is the risk that an issuer may be unable or unwilling to make timely payments of interest or principal. Changes in interest rates will affect the value of investments in fixed-income securities. When interest rates rise, the value of investments in fixed-income securities tends to fall and this decrease in value may not be offset by higher income from new investments. Interest rate risk is generally greater for fixed-income securities with longer maturities or durations. Income risk is the risk that falling interest rates will cause a Fund's income to decline. Municipal securities market risk is the risk that 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, uncertainties related to the tax status of municipal securities, or the rights of investors. Prepayment risk is the risk that a loan, bond or other security might be called or otherwise converted, prepaid or redeemed before maturity. If this happens, particularly during a time of declining interest rates or credit spreads, a Fund may not be able to invest the proceeds in securities providing as much income, resulting in a lower yield to the Fund (this is known as reinvestment risk). Conversely, extension risk is the risk that as interest rates rise or spreads widen, payments of securities may occur more slowly than anticipated by the market. When this happens, the values of these securities may decline because their interest rates are lower than current market rates and they remain outstanding longer than anticipated. Liquidity risk exists when particular investments are difficult to purchase or sell. Each Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price.

Each Fund also is subject to the risks associated with the use of inverse floating rate securities and the issuance of preferred shares, including leverage risk. Leverage exists when a Fund purchases or sells an instrument or enters into a transaction without investing cash in an amount equal to the full economic exposure of the instrument or transaction and the Fund could lose more than it invested. Leverage created from borrowing or certain types of transactions or instruments may impair the Fund's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective.

Each Fund is also subject to the risk of concentrating its investments in a single state and is subject to the economic, political and other risks of the Commonwealth of Pennsylvania.

The principal risks of investing in the Acquiring Fund are described in more detail below. An investment in a Target Fund is also subject to each of these principal risks.

Comparative Expense Information

The purpose of the comparative fee table is to assist you in understanding the various costs and expenses of investing in common shares of the Funds. The information in the table reflects the fees and expenses for each Fund's fiscal year ended April 30, 2013, as adjusted as described in footnote 1 below, and the pro-forma expenses for the 12 months ended April 30, 2013, for the combined fund. 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⁽¹⁾

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 | Combined Fund Pro Forma⁽²⁾ |
|---|-----------------------|-----------------------|---------------------------|-----------------------------|--|
| Annual Expenses (as a percentage of net assets applicable to common shares) | | | | | |
| Management Fees | 0.88% | 0.88% | 0.91% | 0.93% | 0.87% |
| Fees on Preferred Shares and Interest and Related Expenses from Inverse Floaters ⁽³⁾ | 0.61% | 0.60% | 1.19% | 1.21% | 0.71% |
| Other Expenses | 0.20% | 0.20% | 0.29% | 0.27% | 0.19% |
| Total Annual Expenses | 1.69% | 1.68% | 2.39% | 2.41% | 1.77% |

- (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 April 30, 2013, subject to the following adjustments. For the Acquiring Fund and Premium Income, Fees on Preferred Shares and Interest and Related Expenses from Inverse Floaters has been restated using current fees as if they had been in effect during the previous fiscal year. It excludes a one-time expense related to the exchange of the existing VRDP Shares which increased actual expenses for the most recent fiscal year, and for Premium Income includes fees and interest for the additional VRDP Shares issued during the previous fiscal year. Fees on Preferred Shares assume VRDP Shares annual liquidity and remarketing fees, as well as amortization of offering costs.
- (2) The Combined Fund Pro Forma figures reflect the impact of applying the Acquiring Fund's fund-level management fee rates to the Combined Fund Pro Forma and the anticipated reduction of certain duplicative expenses eliminated as a result of the Reorganizations. Combined Fund Pro Forma expenses do not include the expenses to be borne by the Funds in connection with the Reorganizations, which are estimated to be \$310,000 (0.12%) for the Acquiring Fund, \$50,000 (0.02%) for Premium Income, \$240,000 (0.46%) for Dividend Advantage and \$190,000 (0.33%) for Dividend Advantage 2.
- (3) Fees on Preferred Shares assumes annual dividends paid, as well as the amortization of offering costs. Interest and Related Expenses from Inverse Floaters includes interest expense that arises because accounting rules require each Fund to treat interest paid by trusts issuing certain inverse floating rate investments that may be held by a Fund as having been paid (indirectly) by the Fund. Because the Fund would also recognize a corresponding amount of interest income (also indirectly), the Fund's net asset value, net investment income, and total return are not affected by this 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.

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 | \$ 17 | \$ 53 | \$ 92 | \$ 200 |
| Premium Income | \$ 17 | \$ 53 | \$ 91 | \$ 199 |
| Dividend Advantage | \$ 24 | \$ 75 | \$ 128 | \$ 273 |
| Dividend Advantage 2 | \$ 24 | \$ 75 | \$ 129 | \$ 275 |
| Combined Fund Pro Forma | \$ 18 | \$ 56 | \$ 96 | \$ 208 |

Comparative Performance Information

Comparative total return performance for the Funds for periods ended April 30, 2013:

| | 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 | 8.50% | 8.40% | 6.03% | 2.97% | 9.60% | 5.97% |
| Premium Income | 7.86% | 8.26% | 5.94% | 6.68% | 10.04% | 6.04% |
| Dividend Advantage | 8.02% | 7.88% | 6.25% | 6.23% | 7.83% | 5.89% |
| Dividend Advantage 2 | 8.31% | 7.68% | 6.03% | 1.49% | 7.99% | 5.70% |

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

An investment in the Acquiring Fund may not be appropriate for all investors. The Acquiring Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Acquiring Fund will achieve its investment objectives. Investors should consider their long-term investment goals and financial needs when making an investment decision with respect to the Acquiring Fund. An investment in the Acquiring Fund is intended to be a long-term investment, and you should not view the Fund as a trading vehicle. Your shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions, if applicable.

Because the Funds have similar investment strategies, the principal risks of each Fund are similar. The principal risks of investing in the Acquiring Fund and the Target Funds are described below. The risks and special considerations listed below should be considered by shareholders of each Fund in their evaluation of the Reorganizations.

Investment and Market Risk. An investment in the Funds' shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the municipal securities owned by a Fund, which generally trade in the over-the-counter markets. Your shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions, if applicable. In addition, the ability of municipalities to collect revenue and service their obligations could be materially and adversely affected by an economic downturn or prolonged recession.

Market Conditions. The financial crisis in the U.S. and global economies over the past several years, including the European sovereign debt crisis, has resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign, and in the net asset values of many investment companies, including to some extent the Funds. Conditions in the U.S. and global economies have resulted, and may continue to result, in fixed income instruments experiencing unusual liquidity issues, increased price volatility and, in some cases, credit downgrades and increased likelihood of default. The financial condition of federal, state and local governments may be sensitive to market events, which may, in turn, adversely affect the marketability of notes and bonds they issue. Declines in real estate prices and general business activity have reduced and may continue to reduce tax revenues of many state and local governments and could affect the economic viability of projects that are the sole source of revenue to support various municipal securities. Further, some state and local governments have been and in the future may be subject to direct ballot referenda that could limit their financial flexibility, or their ability to levy taxes or raise tax revenues, which may adversely affect the marketability of notes and bonds issued by those state and local governments. In addition, global economies and financial markets are becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region. Because the situation is widespread and largely unprecedented, it may be unusually difficult to identify both risks and opportunities using past models of the interplay of market forces, or to predict the duration of these market conditions. The severity or duration of these conditions may also be affected by policy changes made by governments or quasi-governmental organizations. In addition, on August 5, 2011, S&P lowered its long-term sovereign credit rating on the U.S. federal government debt to AA+ from AAA. The downgrade by S&P could increase volatility in both stock and bond markets, result in higher interest rates and higher U.S. Treasury yields and increase the costs of all kinds of debt. These events could have significant adverse effects on the economy generally. See *Risk Factors* *Municipal Securities Market Risk*.

Market Discount from Net Asset Value. Shares of closed-end investment companies may fluctuate and during certain periods trade at prices lower than net asset value. The Funds cannot predict whether their common shares will trade at, above or below net asset value. This characteristic is a risk separate and distinct from the risk that a Fund's net asset value could decrease as a result of investment activities. Investors bear a risk of loss to the extent that the price at which they sell their shares is lower in relation to the Fund's net asset value than at the time of purchase, assuming a stable net asset value. The common shares are designed primarily for long-term investors, and you should not view a Fund as a vehicle for trading purposes.

Credit and Below-Investment-Grade Risk. Credit risk is the risk that one or more municipal securities in a Fund's portfolio will decline in price, or the issuer thereof will fail to pay interest or principal when due, because the issuer of the security experiences a decline in its financial status. In general, lower-rated municipal securities carry a greater degree of risk that the issuer will lose its

ability to make interest and principal payments, which could have a negative impact on a Fund's net asset value or dividends. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. If a downgrade occurs, the Adviser and/or the Sub-Adviser will consider what action, including the sale of the security, is in the best interests of a Fund and its shareholders. Municipal securities of below-investment-grade quality, commonly referred to as junk bonds, are regarded as having predominantly speculative characteristics with respect to the issuer's capacity to pay interest and repay principal when due, and they are more susceptible to default or decline in market value due to adverse economic and business developments than investment-grade municipal securities. Also, to the extent that the rating assigned to a municipal security in a Fund's portfolio is downgraded by any NRSRO, the market price and liquidity of such security may be adversely affected. The market values for municipal securities of below-investment-grade quality tend to be volatile, and these securities are less liquid than investment-grade municipal securities. For these reasons, an investment in a Fund, compared with a portfolio consisting solely of investment-grade securities, may experience the following:

increased price sensitivity resulting from a deteriorating economic environment and/or changing interest rates;

greater risk of loss due to default or declining credit quality;

adverse issuer-specific events that are more likely to render the issuer unable to make interest and/or principal payments; and

the possibility that a negative perception of the below-investment-grade market develops, resulting in the price and liquidity of below-investment-grade securities becoming depressed, and this negative perception could last for a significant period of time. Adverse changes in economic conditions are more likely to lead to a weakened capacity of a below-investment-grade issuer to make principal payments and interest payments compared to an investment-grade issuer. The principal amount of below-investment-grade securities outstanding has proliferated in the past decade as an increasing number of issuers have used below-investment-grade securities for financing. The recent economic downturn may severely affect the ability of highly leveraged issuers to service their debt obligations or to repay their obligations upon maturity. As the national economy slowly recovers from the recent economic downturn, with decreased tax and other revenue streams of municipal issuers, or in the event interest rates rise sharply, increasing the interest cost on variable rate instruments and negatively impacting economic activity, the number of defaults by below-investment-grade municipal issuers is likely to increase. Similarly, prolonged downturns in profitability in specific industries could adversely affect private activity bonds. The market values of lower-quality debt securities tend to reflect individual developments of the issuer to a greater extent than do higher-quality securities, which react primarily to fluctuations in the general level of interest rates. Factors having an adverse impact on the market value of lower-quality securities may have an adverse impact on a Fund's net asset value and the market value of its common shares. In addition, a Fund may incur additional expenses to the extent it is required to seek recovery upon a default in payment of principal or interest on its portfolio holdings. In certain circumstances, a Fund may be required to foreclose on an issuer's assets and take possession of its property or operations. In such circumstances, a Fund would incur additional costs in disposing of such assets and potential liabilities from operating any business acquired.

The secondary market for below-investment-grade securities may not be as liquid as the secondary market for more highly rated securities, a factor that may have an adverse effect on a Fund's ability to dispose of a particular security. There are fewer dealers in the market for below-investment-grade municipal securities than the market for investment-grade municipal securities. The prices quoted by different dealers for below-investment-grade municipal securities may vary significantly, and the spread between the bid and ask price is generally much larger for below-investment-grade municipal securities than for higher-quality instruments. Under adverse market or economic conditions, the secondary market for below-investment-grade securities could contract further, independent of any specific adverse changes in the condition of a particular issuer, and these instruments may become illiquid. As a result, a Fund could find it more difficult to sell these securities or may be able to sell the securities only at prices lower than if such securities were widely traded. Prices realized upon the sale of such lower rated or unrated securities, under these circumstances, may be less than the prices used in calculating a Fund's net asset value.

Issuers of such below-investment-grade securities are highly leveraged and may not have available to them more traditional methods of financing. Therefore, the risk associated with acquiring the securities of such issuers generally is greater than is the case with higher rated securities. For example, during an economic downturn or a sustained period of rising interest rates, highly leveraged issuers of below-investment-grade securities may experience financial stress. During such periods, such issuers may not have sufficient revenues to meet their interest payment obligations. The issuer's ability to service its debt obligations also may be adversely affected by specific developments, the issuer's inability to meet specific projected forecasts or the unavailability of additional financing. The risk of loss from default by the issuer is significantly greater for the holders of below-investment-grade securities because such securities are generally unsecured and are often subordinated to other creditors of the issuer. Prices and yields of below-investment-grade securities will fluctuate over time and, during periods of economic uncertainty, volatility of below-investment-grade securities may adversely affect a Fund's net asset value. In addition, investments in below-investment-grade zero coupon bonds rather than income-bearing below-investment-grade securities, may be more speculative and may be subject to greater fluctuations in value due to changes in interest rates.

Each Fund may invest in distressed securities, which are securities issued by companies that are involved in bankruptcy or insolvency proceedings or are experiencing other financial difficulties at the time of acquisition by a Fund. The issuers of such securities may be in transition, out of favor, financially leveraged or troubled, or potentially troubled, and may be or have recently been involved in major strategic actions, restructurings, bankruptcy, reorganization or liquidation. These characteristics of these companies can cause their securities to be particularly risky, although they also may offer the potential for high returns. These companies' securities may be considered speculative, and the ability of the companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within the companies. Distressed securities frequently do not produce income while they are outstanding and may require a Fund to bear certain extraordinary expenses in order to protect and recover its investment.

Investments in lower rated or unrated securities may present special tax issues for a Fund, including where the issuers of these securities default on their obligations pertaining thereto, and the federal income tax consequences to a Fund as a holder of such distressed securities may not be clear.

Municipal Securities Market Risk. Investing in the municipal securities market involves certain risks. The municipal securities market is one in which dealer firms make markets in bonds on a

principal basis using their proprietary capital, and during the recent market turmoil these firms' capital became severely constrained. As a result, some firms were unwilling to commit their capital to purchase and to serve as a dealer for municipal securities. The amount of public information available about the municipal securities in each Fund's portfolio is generally less than that for corporate equities or bonds, and the Funds' investment performance may therefore be more dependent on the Adviser's and/or the Sub-Adviser's analytical abilities than if the Funds were to invest in stocks or taxable bonds. The secondary market for municipal securities, particularly the below-investment-grade bonds in which the Funds may invest, also tends to be less well developed or liquid than many other securities markets, which may adversely affect a Fund's ability to sell its municipal securities at attractive prices or at prices approximating those at which each Fund currently values them. Municipal securities may contain redemption provisions, which may allow the securities to be called or redeemed prior to their stated maturity, potentially resulting in the distribution of principal and a reduction in subsequent interest distributions.

The ability of municipal issuers to make timely payments of interest and principal may be diminished during general economic downturns and as governmental cost burdens are reallocated among federal, state and local governments. In addition, laws enacted in the future by Congress or state legislatures or referenda could extend the time for payment of principal and/or interest, or impose other constraints on enforcement of such obligations, or on the ability of municipalities to levy taxes. Issuers of municipal securities might seek protection under the bankruptcy laws. In the event of bankruptcy of such an issuer, a Fund could experience delays in collecting principal and interest and a Fund may not, in all circumstances, be able to collect all principal and interest to which it is entitled. To enforce its rights in the event of a default in the payment of interest or repayment of principal, or both, a Fund may take possession of and manage the assets securing the issuer's obligations on such securities, which may increase a Fund's operating expenses. Any income derived from a Fund's ownership or operation of such assets may not be tax-exempt and may not be of the type that would allow a Fund to continue to qualify as a regulated investment company for federal income tax purposes.

Revenue bonds issued by state or local agencies to finance the development of low-income, multi-family housing involve special risks in addition to those associated with municipal securities generally, including that the underlying properties may not generate sufficient income to pay expenses and interest costs. These bonds are generally non-recourse against the property owner, may be junior to the rights of others with an interest in the properties, may pay interest that changes based in part on the financial performance of the property, may be prepayable without penalty and may be used to finance the construction of housing developments which, until completed and rented, do not generate income to pay interest. Additionally, unusually high rates of default on the underlying mortgage loans may reduce revenues available for the payment of principal or interest on such mortgage revenue bonds.

Interest Rate Risk. Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the municipal securities in a Fund's portfolio will decline in value because of increases in market interest rates. As interest rates decline, issuers of municipal securities may prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities and potentially reducing a Fund's income. As interest rates increase, slower-than-expected principal payments may extend the average life of securities, potentially locking-in a below-market interest rate and reducing a Fund's value. In typical market interest rate environments, the prices of longer-term municipal securities generally fluctuate more than prices of shorter-term municipal securities as interest rates change. Because the Funds primarily invest in longer-term municipal securities, the common share net asset value and market price per share will fluctuate more in response to changes in

market interest rates than if the Funds invested primarily in shorter-term municipal securities. Because the values of lower-rated and comparable unrated debt securities are affected both by credit risk and interest rate risk, the price movements of such lower grade securities typically have not been highly correlated to the fluctuations of the prices of investment-grade-quality securities in response to changes in market interest rates. The Funds' use of leverage, as described herein, will tend to increase common share interest rate risk.

Concentration Risk. Each Fund invests its net assets in a portfolio of municipal securities that are exempt from regular federal and Pennsylvania income taxes. Each Fund is therefore more susceptible to political, economic or regulatory factors affecting issuers of such securities. Briefly summarized below are important financial concerns relating to the Funds' investments in Pennsylvania municipal obligations. The information set forth below is derived from sources that are generally available to investors and is based in part on information obtained from various agencies in Pennsylvania. No independent verification of this information has been made. The information is intended to give a recent historical description and is not intended to indicate future or continuing trends in the financial or other positions of Pennsylvania. Additionally, it should be noted that the creditworthiness of obligations issued by local Pennsylvania issuers may be unrelated to the creditworthiness of obligations issued by the Commonwealth of Pennsylvania, and that there is no obligation on the part of the state to make payment on such local obligations in the event of default.

Each Fund is more exposed to risks affecting issuers of Pennsylvania municipal securities than a municipal bond fund that invests more widely. The subdued level of the economic recovery from the most recent national recession continued to affect the Commonwealth's revenue receipts during fiscal year 2012. General Fund revenues increased \$180.8 million or 0.7% during fiscal year 2012 when measured on a year-over-year basis as compared to fiscal year 2011. General Fund revenues were below the certified estimate by \$162.8 million or 0.6% during fiscal year 2012. The enacted fiscal year 2013 budget, as re-estimated February 2013, provides appropriations and executive authorizations, net of lapses and other reductions, totaling \$28,339.8 million of Commonwealth funds against estimated revenues, net of tax refunds and including public health and human services assessments, of \$28,210.8 million. The \$129.0 million negative difference between estimated revenues and budgeted appropriations is to be mitigated by a partial draw down of the \$659.0 million ending balance from fiscal year 2012. The fiscal year 2013 ending unappropriated balance is estimated to be \$543.6 million following the statutory transfer of 25 percent of the Commonwealth's unappropriated surplus balance to the Budget Stabilization Reserve Fund.

As of April 1, 2013, Moody's maintained an Aa2 rating, S&P maintained an AA rating and Fitch maintained an AA+ rating on the Commonwealth's general obligation debt. These ratings reflect the Commonwealth's credit quality only, and do not indicate the creditworthiness of other tax-exempt securities in which each Fund may invest.

The foregoing information constitutes only a brief summary of some of the general factors that may impact certain issuers of Pennsylvania municipal obligations and does not purport to be a complete or exhaustive description of all adverse conditions to which the issuers of such securities held by a Fund are subject. Additionally, many factors, including national economic, social and environmental policies and conditions, which are not within the control of the issuers of Pennsylvania municipal obligations, could affect or could have an adverse impact on the financial condition of the issuers. The Funds are unable to predict whether or to what extent such factors or other factors may affect the issuers of Pennsylvania municipal obligations, the market value or marketability of such

securities or the ability of the respective issuers of such securities acquired by a Fund to pay interest on or principal of the municipal securities. This information has not been independently verified.

See Appendix F of this prospectus for a further discussion of factors affecting municipal securities in Pennsylvania.

Inverse Floating Rate Securities Risk. Each Fund may invest in inverse floating rate securities. Typically, inverse floating rate securities represent beneficial interests in a special purpose trust (sometimes called a tender option bond trust) formed by a third-party sponsor for the purpose of holding municipal bonds. See Additional Information About the Investment Policies Portfolio Investments *Inverse Floating Rate Securities*. In general, income on inverse floating rate securities will decrease when interest rates increase and increase when interest rates decrease. Investments in inverse floating rate securities may subject the Funds to the risks of reduced or eliminated interest payments and losses of principal.

Each Fund may invest in inverse floating rate securities issued by special purpose trusts that have recourse to the Fund. In Nuveen Asset Management's discretion, each Fund may enter into a separate shortfall and forbearance agreement with the third-party sponsor of a special purpose trust. Each Fund may enter into such recourse agreements: (i) when the liquidity provider to the special purpose trust requires such an agreement because the level of leverage in the trust exceeds the level that the liquidity provider is willing to support absent such an agreement; and/or (ii) to seek to prevent the liquidity provider from collapsing the trust in the event that the municipal obligation held in the trust has declined in value. Such an agreement would require a Fund to reimburse the third-party sponsor of the trust, upon termination of the trust issuing the inverse floater, the difference between the liquidation value of the bonds held in the trust and the principal amount due to the holders of floating rate interests. In such instances, a Fund may be at risk of loss that exceeds its investment in the inverse floating rate securities.

Inverse floating rate securities may increase or decrease in value at a greater rate than the underlying interest rate, which effectively leverages a Fund's investment. As a result, the market value of such securities generally will be more volatile than that of fixed rate securities.

Each Fund's investments in inverse floating rate securities issued by special purpose trusts that have recourse to the Fund may be highly leveraged. The structure and degree to which a Fund's inverse floating rate securities are highly leveraged will vary based upon a number of factors, including the size of the trust itself and the terms of the underlying municipal security. An inverse floating rate security generally is considered highly leveraged if the principal amount of the short-term floating rate interests issued by the related special purpose trust has a three to one gearing to the principal amount of the inverse floating rate securities owned by the trust. In the event of a significant decline in the value of an underlying security, a Fund may suffer losses in excess of the amount of its investment (up to an amount equal to the value of the municipal securities underlying the inverse floating rate securities) as a result of liquidating special purpose trusts or other collateral required to maintain the Fund's anticipated effective leverage ratio.

Each Fund's investment in inverse floating rate securities will create effective leverage. Any effective leverage achieved through a Fund's investment in inverse floating rate securities will create an opportunity for increased common share net income and returns, but will also create the possibility that common share long-term returns will be diminished if the cost of leverage exceeds the return on the inverse floating rate securities purchased by such Fund.

The amount of fees paid to Nuveen Asset Management for investment advisory services will be higher if a Fund uses leverage because the fees will be calculated based on the Fund's Managed Assets this may create an incentive for Nuveen Asset Management to leverage a Fund. As previously described, Managed Assets means the total assets of a Fund, minus the sum of its accrued liabilities (other than liabilities incurred for the express purpose of creating effective leverage). Total assets for this purpose shall include assets attributable to a Fund's use of effective leverage (whether or not those assets are reflected in the Fund's financial statements for purposes of generally accepted accounting principles), such as, but not limited to, the portion of assets in special purpose trusts of which a Fund owns the inverse floater certificates that has been effectively financed by the trust's issuance of floating rate certificates.

There is no assurance that a Fund's strategy of investing in inverse floating rate securities will be successful.

Inverse floating rate securities have varying degrees of liquidity based, among other things, upon the liquidity of the underlying securities deposited in a special purpose trust. The market price of inverse floating rate securities is more volatile than the underlying securities due to leverage. The leverage attributable to such inverse floating rate securities may be called away on relatively short notice and therefore may be less permanent than more traditional forms of leverage. In certain circumstances, the likelihood of an increase in the volatility of net asset value and market price of the common shares may be greater for a fund (like the Funds) that relies primarily on inverse floating rate securities to achieve a desired effective leverage ratio. A Fund may be required to sell its inverse floating rate securities at less than favorable prices, or liquidate other Fund portfolio holdings in certain circumstances, including, but not limited to, the following:

If the Fund has a need for cash and the securities in a special purpose trust are not actively trading due to adverse market conditions;

If special purpose trust sponsors (as a collective group or individually) experience financial hardship and consequently seek to terminate their respective outstanding trusts; and

If the value of an underlying security declines significantly (to a level below the notional value of the floating rate securities issued by the trust) and if additional collateral has not been posted by the Fund.

Leverage Risk. Leverage risk is the risk associated with the use of borrowings, the issuance of preferred shares or the use of inverse floating rate securities to leverage the common shares. There can be no assurance that a Fund's leveraging strategy will be successful. Through the use of financial leverage, the Funds seek to enhance potential common share earnings over time by borrowing or issuing preferred shares at short-term municipal rates and investing at long-term municipal rates which are typically, though not always, higher. The types of leverage used by the Funds may pay fixed rates of interest or dividends or may fluctuate with short- to intermediate-term yields. The income benefit from leverage will be reduced (increased) to the extent that the difference narrows (widens) between the net earnings on a Fund's portfolio securities and its cost of leverage. If short- or intermediate-term rates rise and a Fund's leverage costs fluctuate, a Fund's cost of leverage could exceed the fixed rate of return on longer-term bonds held by the Fund that were acquired during periods of lower interest rates, reducing returns to common shareholders. This could occur even if short- or intermediate-term and

long-term municipal rates rise. Because of the costs of leverage, a Fund may incur losses even if the Fund has positive returns, if they are not sufficient to cover the costs of leverage. A Fund's cost of leverage includes both the interest rate paid on its borrowings or dividends on preferred shares as well as any ongoing fees and expenses associated with those borrowings or preferred shares. The Funds also bear the costs of borrowing facilities, issuing its shares and refinancing such leverage. To the extent that the Funds issue preferred shares with relatively short terms to redemption (e.g., MTP Shares), refinancing risk will increase. To the extent that a Fund issues preferred shares with a liquidity provider feature (e.g., VRDP Shares), the Fund is subject to refinancing risk if the liquidity provider acquires VRDP Shares pursuant to its purchase obligation and holds them for six months of unsuccessful remarketings, triggering a mandatory redemption. Refinancing risk is the risk that the Fund is unable to replace existing leverage at all or on favorable terms. If the Fund is unable to replace its leverage upon a term redemption date or mandatory redemption of MTP Shares or VRDP Shares, it may be forced to reduce leverage and sell portfolio securities when it otherwise would not do so. If the Fund is unable to replace existing leverage on comparable terms, its costs of leverage will increase. Accordingly, there is no assurance that the use of leverage may result in a higher yield or return to common shareholders.

A Fund's use of financial leverage also creates incremental common share net asset value risk because the full impact of price changes in the Fund's investment portfolio, including assets attributable to leverage, is borne by common shareholders. This can lead to a greater increase in net asset values in rising markets than if a Fund were not leveraged, but it also can result in a greater decrease in net asset values in declining markets. A Fund's use of financial leverage similarly can magnify the impact of changing market conditions on common share market prices. Each Fund is required to maintain certain regulatory and rating agency asset coverage requirements in connection with its outstanding preferred shares, in order to be able to maintain the ability to declare and pay common share distributions and to maintain the rating of its preferred shares. In order to maintain required asset coverage levels, a Fund may be required to alter the composition of its investment portfolio or take other actions, such as redeeming preferred shares with the proceeds from portfolio transactions, at what might be an inopportune time in the market. Such actions could reduce the net earnings or returns to common shareholders over time.

Each Fund may invest in the securities of other investment companies, which may themselves be leveraged and therefore present similar risks to those described above. In addition, each Fund's investments in leveraged investment companies magnify a Fund's leverage risk.

The amount of fees paid to the Adviser (which in turn pays a portion of its fees to the Sub-Adviser) for investment and advisory services will be higher when a Fund uses financial leverage because the advisory fees are calculated based on the Fund's Managed Assets this may create an incentive for the Adviser and/or the Sub-Adviser to leverage the Funds.

Multiple Series Risk. Following the Reorganizations, the Acquiring Fund will have multiple series of preferred shares outstanding, including both VRDP Shares and MTP Shares. While the preferred shares issued by the Acquiring Fund in connection with the Reorganizations will have equal priority with the Acquiring Fund's existing outstanding preferred shares as to the payment of dividends and the distribution of assets in the event of the Acquiring Fund's liquidation, there are some differences between the terms applicable to each series. To the extent that the terms of the various series differ with respect to required asset coverage levels, cure periods or other events affecting the dividend rate or mandatory or optional redemption terms applicable to such series, such events may impact one series of preferred shares differently than another series of preferred shares.

Insurance Risk. Each Fund may purchase municipal securities that are secured by insurance, bank credit agreements or escrow accounts. The credit quality of the companies that provide such credit enhancements will affect the value of those securities. Certain significant providers of insurance for municipal securities have incurred significant losses as a result of exposure to sub-prime mortgages and other lower credit quality investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. As a result, such losses have reduced the insurers' capital and called into question their continued ability to perform their obligations under such insurance if they are called upon to do so in the future. While an insured municipal security will typically be deemed to have the rating of its insurer, if the insurer of a municipal security suffers a downgrade in its credit rating or the market discounts the value of the insurance provided by the insurer, the rating of the underlying municipal security will be more relevant and the value of the municipal security would more closely, if not entirely, reflect such rating. In such a case, the value of insurance associated with a municipal security would decline and may not add any value. The insurance feature of a municipal security does not guarantee the full payment of principal and interest through the life of an insured obligation, the market value of the insured obligation or the net asset value of the common shares represented by such insured obligation.

Tax Risk. To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, among other things, a Fund must derive in each taxable year at least 90% of its gross income from certain prescribed sources and satisfy a diversification test on a quarterly basis. If a Fund fails to satisfy the qualifying income or diversification requirements in any taxable year, the Fund may be eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements. Additionally, relief is provided for certain de minimis failures of the diversification requirements where a Fund corrects the failure within a specified period. In order to be eligible for the relief provisions with respect to a failure to meet the diversification requirements, a Fund may be required to dispose of certain assets. If these relief provisions are not available to a Fund and it fails to qualify for treatment as a regulated investment company, all of its taxable income (including its net capital gain) would be subject to federal income tax at regular corporate rates without any deduction for distributions to shareholders, and all distributions from the Fund (including underlying distributions attributable to tax exempt interest income) would be taxable to shareholders as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits.

To qualify to pay exempt-interest dividends, which are treated as items of interest excludable from gross income for federal income tax purposes, at least 50% of the value of the total assets of a Fund must consist of obligations exempt from regular income tax as of the close of each quarter of the Fund's taxable year. If the proportion of taxable investments held by a Fund exceeded 50% of such Fund's total assets as of the close of any quarter of the Fund's taxable year, the Fund would not satisfy the general eligibility test that would permit it to pay exempt-interest dividends for that taxable year.

The value of a Fund's investments and its net asset value may be adversely affected by changes in tax rates and policies. Because interest income from municipal securities held by a Fund is normally not subject to regular federal or Pennsylvania income tax, the attractiveness of municipal securities in relation to other investment alternatives is affected by changes in federal and Pennsylvania income tax rates or changes in the tax-exempt status of interest income from municipal securities. Any proposed or actual changes in such rates or exempt status, therefore, can significantly affect the demand for and supply, liquidity and marketability of municipal securities. This could in turn affect a Fund's net asset value and ability to acquire and dispose of municipal securities at desirable yield and price levels.

Additionally, the Funds are not suitable investments for individual retirement accounts, for other tax-exempt or tax-deferred accounts or for investors who are not sensitive to the federal income tax consequences of their investments.

Taxability Risk. Each Fund will invest in municipal securities in reliance at the time of purchase on an opinion of bond counsel to the issuer that the interest paid on those securities will be excludable from gross income for regular federal income tax purposes, and neither the Adviser nor the Sub-Adviser will independently verify that opinion. Subsequent to a Fund's acquisition of such a municipal security, however, the security may be determined to pay, or to have paid, taxable income. As a result, the treatment of dividends previously paid or to be paid by a Fund as exempt-interest dividends could be adversely affected, subjecting the Fund's shareholders to increased federal income tax liabilities. In certain circumstances, a Fund will make payments to holders of preferred shares to offset the tax effects of a taxable distribution.

Under highly unusual circumstances, the Internal Revenue Service (the IRS) may determine that a municipal bond issued as tax-exempt should in fact be taxable. If a Fund held such a bond, it might have to distribute taxable ordinary income dividends or reclassify as taxable income amounts previously distributed as exempt-interest dividends. In addition, future legislation may change the tax treatment of municipal bond interest.

For federal income tax purposes, distributions of ordinary taxable income (including any net short-term capital gain) will be taxable to shareholders as ordinary income (and will not be eligible for favorable taxation as qualified dividend income), and capital gain dividends will be taxed at long-term capital gain rates.

Borrowing Risk. Each Fund may borrow money for the repurchase of its shares or for temporary or emergency purposes, such as for the payment of dividends or the settlement of portfolio transactions. Borrowing may exaggerate changes in the net asset value of a Fund's common shares and may affect a Fund's net income. When a Fund borrows money, it must pay interest and other fees, which will reduce the Fund's returns if such costs exceed the returns on the portfolio securities purchased or retained with such borrowings. Any such borrowings are intended to be temporary. However, under certain market conditions, including periods of low demand or decreased liquidity in the municipal bond market, such borrowings might be outstanding for longer periods of time.

Inflation Risk. Inflation is the reduction in the purchasing power of money resulting from the increase in the price of goods and services. Inflation risk is the risk that the inflation-adjusted (or real) value of assets or income from investment will be worth less in the future. As inflation increases, the real value of the dividends paid to preferred shareholders declines.

Deflation Risk. Deflation risk is the risk that prices throughout the economy decline over time, which may have an adverse effect on the market valuation of companies, their assets and revenues. In addition, deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

Special Risks Related to Certain Municipal Obligations. Each Fund may invest in municipal leases and certificates of participation in such leases. Municipal leases and certificates of participation involve special risks not normally associated with general obligations or revenue bonds. Leases and installment purchase or conditional sale contracts (which normally provide for title to the leased asset

to pass eventually to the governmental issuer) have evolved as a means for governmental issuers to acquire property and equipment without meeting the constitutional and statutory requirements for the issuance of debt. The debt issuance limitations are deemed to be inapplicable because of the inclusion in many leases or contracts of non-appropriation clauses that relieve the governmental issuer of any obligation to make future payments under the lease or contract unless money is appropriated for such purpose by the appropriate legislative body on a yearly or other periodic basis. In addition, such leases or contracts may be subject to the temporary abatement of payments in the event the governmental issuer is prevented from maintaining occupancy of the leased premises or utilizing the leased equipment. Although the obligations may be secured by the leased equipment or facilities, the disposition of the property in the event of non-appropriation or foreclosure might prove difficult, time consuming and costly, and may result in a delay in recovering or the failure to fully recover a Fund's original investment. In the event of non-appropriation, the issuer would be in default and taking ownership of the assets may be a remedy available to a Fund, although each Fund does not anticipate that such a remedy would normally be pursued. To the extent that a Fund invests in unrated municipal leases or participates in such leases, the credit quality rating and risk of cancellation of such unrated leases will be monitored on an ongoing basis. Certificates of participation, which represent interests in unmanaged pools of municipal leases or installment contracts, involve the same risks as the underlying municipal leases. In addition, a Fund may be dependent upon the municipal authority issuing the certificates of participation to exercise remedies with respect to the underlying securities. Certificates of participation also entail a risk of default or bankruptcy, both of the issuer of the municipal lease and also the municipal agency issuing the certificate of participation.

Derivatives Risk. Each Fund's use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the investments underlying the derivatives. Whether a Fund's use of derivatives is successful will depend on, among other things, if the Adviser and/or the Sub-Adviser correctly forecasts market values, interest rates and other applicable factors. If the Adviser and/or the Sub-Adviser incorrectly forecasts these and other factors, the investment performance of a Fund will be unfavorably affected. In addition, the derivatives market is largely unregulated. It is possible that developments in the derivatives market could adversely affect a Fund's ability to successfully use derivative instruments.

Each Fund may enter into debt-related derivatives instruments including credit default swap contracts and interest rate swaps. Like most derivative instruments, the use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. In addition, the use of swaps requires an understanding by the Adviser and/or the Sub-Adviser of not only of the referenced asset, rate or index, but also of the swap itself. Because they are two-party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid. Moreover, a Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. It is possible that developments in the swaps market, including potential government regulation, could adversely affect a Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements. The derivatives market is subject to a changing regulatory environment. It is possible that regulatory or other developments in the derivatives market could adversely affect a Fund's ability to successfully use derivative instruments. See Counterparty Risk and Hedging Risk and the Reorganization SAI.

Hedging Risk. Each Fund's use of derivatives or other transactions to reduce risk involves costs and will be subject to the Adviser's and/or the Sub-Adviser's ability to predict correctly changes

in the relationships of such hedge instruments to the Fund's portfolio holdings or other factors. No assurance can be given that the Adviser's and/or the Sub-Adviser's judgment in this respect will be correct. In addition, no assurance can be given that a Fund will enter into hedging or other transactions at times or under circumstances in which it may be advisable to do so.

Other Investment Companies Risk. Each Fund may invest in the securities of other investment companies. Such securities may be leveraged. As a result, a Fund may be indirectly exposed to leverage through an investment in such securities. Utilization of leverage is a speculative investment technique and involves certain risks. An investment in securities of other investment companies that are leveraged may expose a Fund to higher volatility in the market value of such securities and the possibility that a Fund's long-term returns on such securities will be diminished.

Counterparty Risk. Changes in the credit quality of the companies that serve as a Fund's counterparties with respect to derivatives, insured municipal securities or other transactions supported by another party's credit will affect the value of those instruments. Certain entities that have served as counterparties in the markets for these transactions have recently incurred significant financial hardships including bankruptcy and losses as a result of exposure to sub-prime mortgages and other lower-quality credit investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. As a result, such hardships have reduced these entities' capital and called into question their continued ability to perform their obligations under such transactions. By using such derivatives or other transactions, a Fund assumes the risk that its counterparties could experience similar financial hardships. In the event of insolvency of a counterparty, a Fund may sustain losses or be unable to liquidate a derivatives position.

Illiquid Securities Risk. Each Fund may invest in municipal securities and other instruments that, at the time of investment, are illiquid. Illiquid securities are securities that are not readily marketable and may include restricted securities, which are securities that may not be resold unless they have been registered under the Securities Act of 1933, as amended, or can be sold in a private transaction pursuant to an exemption from registration. Illiquid securities involve the risk that the securities will not be able to be sold at the time desired by a Fund or at prices approximating the value at which the Fund is carrying the securities on its books.

Market Disruption Risk. Certain events have a disruptive effect on the securities markets, such as terrorist attacks (including the terrorist attacks in the United States on September 11, 2001), war and other geopolitical events. A Fund cannot predict the effects of similar events in the future on the U.S. economy. Below-investment-grade securities tend to be more volatile than higher rated securities so that these events and any actions resulting from them may have a greater impact on the prices and volatility of below-investment-grade securities than on higher rated securities.

Income Risk. A Fund's income is based primarily on the interest it earns from its investments, which can vary widely over the short-term and long-term. If interest rates drop, a Fund's income available over time to make dividend payments could drop as well if the Fund purchases securities with lower interest coupons.

Call Risk or Prepayment Risk. During periods of declining interest rates or for other purposes, issuers of callable bonds with higher interest coupons may exercise their option to call (or prepay) bonds before their maturity date, forcing a Fund to reinvest in lower-yielding securities. This is known as call or prepayment risk.

Reinvestment Risk. Reinvestment risk is the risk that income from a Fund's portfolio will decline if and when the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the Fund's portfolio's current earnings rate. A decline in income could affect the common shares' market price or their overall returns.

Economic Sector Risk. Each Fund may invest 25% or more of its total assets in municipal securities in the same economic sector. This may make a Fund more susceptible to adverse economic, political or regulatory occurrences affecting an economic sector. As concentration increases, so does the potential for fluctuation in the value of a Fund's assets.

Reliance on Investment Adviser. Each Fund is dependent upon services and resources provided by the Adviser and the Sub-Adviser, and therefore the Adviser's and the Sub-Adviser's parent, Nuveen Investments. Nuveen Investments, through its own business or the financial support of its affiliates, may not be able to generate sufficient cash flow from operations or ensure that future borrowings will be available in an amount sufficient to enable it to pay its indebtedness or to fund its other liquidity needs. For additional information on the Adviser, the Sub-Adviser and Nuveen Investments, see Proposal No. 2 Comparison of the Acquiring Fund and the Target Funds' Investment Adviser and Investment Adviser and Sub-Adviser in the Reorganization SAI.

Personnel Turnover Risk. As a result of deteriorating market conditions or other reasons, Nuveen Investments, the Adviser and/or the Sub-Adviser may need to implement cost reductions in the future which could make the retention of qualified and experienced personnel more difficult and could lead to personnel turnover.

Certain Affiliations. Certain broker-dealers may be considered to be affiliated persons of the Funds, the Adviser, the Sub-Adviser and/or Nuveen Investments. Absent an exemption from the SEC or other regulatory relief, a Fund generally is precluded from effecting certain principal transactions with affiliated brokers, and its ability to purchase securities being underwritten by an affiliated broker or a syndicate including an affiliated broker, or to utilize affiliated brokers for agency transactions, is subject to restrictions. This could limit a Fund's ability to engage in securities transactions and take advantage of market opportunities.

Anti-Takeover Provisions. Each Fund's organizational documents include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status.

C. INFORMATION ABOUT THE REORGANIZATIONS

General

The Board of Nuveen's municipal closed-end funds has approved a series of mergers of single-state municipal closed-end funds, including the Reorganizations of each of the Target Funds into the Acquiring Fund. As noted above, the Acquiring Fund and the Target Funds have similar investment objectives and policies and substantially similar portfolio compositions. With respect to the proposed Reorganizations, it is intended that the combination of the Funds will result in a lower effective management fee rate and lower total expenses per common share (excluding the costs of leverage) due to economies of scale resulting from the larger size of the combined fund and enhance the secondary trading market for common shares of the Funds as a result of the greater share volume of the combined

fund. The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. In order for the Reorganizations to occur, each Fund must obtain all requisite shareholder approvals as well as certain consents, confirmations and/or waivers from various third parties, including rating agencies with respect to outstanding preferred shares and liquidity providers with respect to outstanding VRDP Shares. Because the closing of the Reorganizations is contingent upon all of the Target Funds and the Acquiring Fund obtaining the requisite 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 approve the Reorganization(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 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 interest of its Fund, including conducting additional solicitations with respect to the proposals or continuing to operate the Fund as a stand-alone fund.

Terms of the Reorganizations

General. The Agreement and Plan of Reorganization by and among each Target Fund and the Acquiring Fund (the Agreement), in the form attached as Appendix A, provides for: (i) 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 VRDP Shares, with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share, or MTP Shares, with a par value of \$0.01 per share and a liquidation preference of \$10 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 (ii) 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 will receive cash in an amount equal to the value received for such shares in the open market, which may be higher or lower than net asset value. Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VRDP Shares or MTP Shares, as applicable, having substantially identical terms as the outstanding VRDP Shares or MTP Shares, respectively, 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 a 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 the Acquiring Fund's existing outstanding preferred shares as to the payment of dividends and the distribution of assets in the event of the Acquiring Fund's liquidation. 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 in the event of the Acquiring Fund's liquidation.

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 January 13, 2014 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/Prospectus.

The aggregate net asset value of the Acquiring Fund common shares received by each Target Fund in connection with a Reorganization will equal the aggregate net asset value of the Target Fund common shares held by shareholders of such Target Fund as of the Valuation Time (as defined below). See Proposal No. 2 Information About the Reorganizations Description of Common Shares Issued by the Acquiring Fund for a description of the rights of Acquiring Fund common shareholders. No fractional Acquiring Fund common shares, however, will be distributed in connection with the Reorganizations. The Acquiring Fund's transfer agent will aggregate all fractional Acquiring Fund common shares that may be due to Target Fund shareholders as of the Closing Date and will sell the resulting whole shares for the account of holders of all such fractional interests at a value that may be higher or lower than net asset value, and each such holder will be entitled to a pro rata share of the proceeds from such sale. With respect to the aggregation and sale of fractional common shares, the Acquiring Fund's transfer agent will act directly on behalf of the shareholders entitled to receive fractional shares and will accumulate fractional shares, sell the shares and distribute the cash proceeds net of brokerage commissions, if any, directly to shareholders entitled to receive the fractional shares (without interest and subject to withholding taxes). For federal income tax purposes, shareholders will be treated as if they received fractional share interests and then sold such interests for cash. The holding period and the aggregate tax basis of fractional share interests deemed received by a shareholder will be the same as the holding period and aggregate tax basis of the Target Fund common shares previously held by the shareholder and exchanged therefor, provided the Target Fund shares exchanged therefor were held as capital assets. As a result of the Reorganizations, common shareholders of the Funds will hold reduced percentages of ownership in the larger combined entity than they held in the Acquiring Fund or Target Fund individually.

Following the Reorganizations, each preferred shareholder of a Target Fund would own the same number of Acquiring Fund preferred shares as preferred shares of the Target Fund held by such shareholder immediately prior to the Closing Date, with substantially identical terms as the outstanding VRDP Shares or MTP Shares, respectively, of the Target Fund held by such preferred shareholders immediately prior to the closing of the Reorganizations. As a result of the Reorganizations, preferred shareholders of the Funds would hold reduced voting percentages of preferred shares for matters to be voted on by all preferred shareholders as a single class or by common and preferred shareholders voting together than they held in the Acquiring Fund or Target Fund individually.

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 shall be determined by using the valuation procedures of the Nuveen closed-end funds adopted by the Board or such other valuation procedures as shall 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.

Distributions. Undistributed net investment income represents net earnings from a Fund's investment portfolio that over time have not been distributed to shareholders. Under the terms of the

Agreement, if a Target Fund has undistributed net investment income or undistributed net capital gains, such Target Fund is required to declare a distribution, which, together with all previous dividends, has the effect of distributing to its shareholders all undistributed net investment income and undistributed realized net capital gains (after reduction by any available capital loss carryforwards) for all taxable periods ending on or before the Closing Date. The Acquiring Fund is not subject to a similar distribution requirement; however, it is anticipated that the Acquiring Fund will declare a distribution prior to the Closing Date which will result in the distribution of a portion of its undistributed net investment income. Consequently, Target Fund shareholders effectively will purchase a pro rata portion of the Acquiring Fund's remaining undistributed net investment income and undistributed realized net capital gains, if any, which may be more or less than each Target Fund's undistributed net investment income and undistributed realized net capital gains per share immediately preceding the distributions described above, if any. As a result, the Acquiring Fund's existing shareholders will experience a corresponding reduction in their respective portion of undistributed net investment income and undistributed realized net capital gains per share, if any, such that the Acquiring Fund's undistributed net investment income and undistributed realized net capital gains per share immediately following the Reorganizations is expected to be less than the Acquiring Fund's undistributed net investment income and undistributed realized net capital gains per share immediately preceding the Reorganizations, if any.

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 the meeting of the shareholders of the Funds called by each Fund, 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 conditioned upon (a) the requisite approval by the shareholders of each Fund of the proposals in this Joint Proxy Statement/Prospectus, (b) the Funds' receipt of an opinion substantially to the effect that each Reorganization will qualify as a reorganization under the Code (See Material Federal Income Tax Consequences of the Reorganizations), (c) the absence of legal proceedings challenging the Reorganizations and (d) 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 rating agencies with respect to outstanding preferred shares and liquidity providers with respect to outstanding 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 Date due to (a) a breach by any other party of any representation, warranty, or agreement contained therein to be performed at or before the Closing Date, if not cured within 30 days; (b) 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 (c) 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 Board Members who are not interested persons (as defined in the 1940 Act) of the Funds (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 with respect to net asset value as a result of such Reorganization(s). The Boards approved the Reorganizations and recommended that shareholders of the respective Funds approve the Reorganizations.

In preparation for a meeting of the Boards held on May 20-22, 2013 (the Meeting) at which the Reorganizations were considered, the Adviser provided the Boards, prior to the Meeting and in prior meetings, with information regarding the proposed Reorganizations, including the rationale therefor and alternatives considered to the Reorganizations. 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 a private session without management present. The Boards considered a number of principal factors presented at the time of the Meeting or prior meetings in reaching their determinations, including the following:

the compatibility of the Funds' investment objectives, policies and related risks;

consistency of portfolio management;

improved economies of scale and the potential for lower 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 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 investment objectives, policies and risks of the Funds are similar. The Boards noted that each Fund is a diversified fund that invests primarily in municipal securities the income from which is exempt from regular federal and Pennsylvania income taxes. In addition, under normal circumstances, each Fund invests at least 80% of its Managed Assets in investment-grade securities. The Boards considered that the portfolio composition of each Fund is substantially similar and considered the impact of the Reorganizations on each Fund's portfolio, including any shifts in sector allocations, credit ratings, duration, yield and leverage costs. The Boards also recognized that each Fund utilizes leverage. Because the Funds have similar investment strategies, the principal risks of each Fund are also similar.

Consistency of Portfolio Management. The Boards noted that each Fund has the same investment adviser, sub-adviser and portfolio manager, and that such portfolio manager would continue to manage the Acquiring Fund upon completion of the Reorganizations. Through the Reorganizations, the Boards recognized that shareholders will remain invested in a closed-end management investment company that will have greater net assets and benefits from potential economies of scale; the same investment adviser and sub-adviser; and similar investment objectives and investment strategies.

Improved Economies of Scale and Potential for Lower Fees and Total Expenses (Excluding the Costs of Leverage). The Boards considered the fees and expense ratios of each of the Funds (including estimated expenses of the Acquiring Fund following the Reorganizations). As a result of the greater economies of scale from the larger asset size of the Acquiring Fund after the Reorganizations, the Boards noted that it was expected that the effective management fee rate (as a percentage of average daily Managed Assets) and total expenses per common share (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. It is anticipated that the Funds will benefit 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 connection, the Boards noted the Adviser's position that the greater asset size of the combined fund may provide greater flexibility in managing the structure and costs of leverage over time.

Potential for Improved Secondary Market Trading with Respect to the Common Shares. While it is not possible to predict trading levels at the time the Reorganizations close, 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 Funds. The Acquiring 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. 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 an opinion of counsel substantially to this effect (based on certain factual representations and certain customary assumptions).

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 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 with respect to net asset value 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 to the aggregate per share net asset value of that shareholder's Target Fund common shares held as of the Valuation Time. No fractional common shares of the Acquiring Fund, however, will be distributed to shareholders in connection with the Reorganizations and, in lieu of such fractional shares, each Target Fund's common shareholders will receive cash.

Preferred shareholders of each Target Fund will receive the same number of Acquiring Fund VRDP Shares or MTP Shares, as applicable, having substantially identical terms as the outstanding VRDP Shares or MTP Shares, respectively, 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 a Reorganization will equal the aggregate liquidation preference of the corresponding Target Fund preferred shares held immediately prior to the closing of the Reorganization.

Potential Benefits to Nuveen Fund Advisors and Affiliates. The Boards recognized that the Reorganizations may result in some benefits and economies 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 (or Reorganizations, in the case of the Acquiring Fund's Board) involving its Fund, concluding that such Reorganization is (or such Reorganizations are) in the best interests of its Fund and that the interests of existing shareholders of the Fund will not be diluted with respect to net asset value as a result of the Reorganization (or Reorganizations).

Capitalization

The following table sets forth the unaudited capitalization of the Funds as of April 30, 2013, 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 0.94742724, 0.97121898 and 0.95410844 common shares of the Acquiring Fund issued for each common share of Premium Income, Dividend Advantage and Dividend Advantage 2, respectively. If the Reorganizations are consummated, the actual exchange ratios may vary.

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 | Pro Forma Adjustments | Combined Fund Pro Forma ⁽¹⁾ |
|---|----------------|----------------|--------------------|----------------------|-----------------------|--|
| Variable Rate Demand Preferred (VRDP) Shares, \$100,000 stated value per share, at liquidation value; 1,125 shares outstanding for Acquiring Fund; 1,050 shares outstanding for Premium Income; and 2,175 shares outstanding for Combined Fund Pro Forma | \$ 112,500,000 | \$ 105,000,000 | \$ | \$ | \$ | \$ 217,500,000 |
| MuniFund Term Preferred (MTP) Shares, \$10 stated value per share, at liquidation value; 2,319,000 shares outstanding for Dividend Advantage; 2,455,000 shares outstanding for Dividend Advantage 2; and 4,774,000 shares outstanding for Combined Fund Pro Forma | \$ | \$ | \$ 23,190,000 | \$ 24,550,000 | \$ | \$ 47,740,000 |

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 | Pro Forma Adjustments | Combined Fund Pro Forma ⁽¹⁾ |
|---|-----------------------|-----------------------|----------------------|----------------------|----------------------------|--|
| Common Shareholders Equity: | | | | | | |
| Common Shares, \$.01 par value per share; 16,109,304 shares outstanding for Acquiring Fund; 15,595,551 shares outstanding for Premium Income; 3,321,984 shares outstanding for Dividend Advantage; 3,726,562 shares outstanding for Dividend Advantage 2; and 37,666,913 shares outstanding for Combined Fund Pro Forma | \$ 161,093 | \$ 155,956 | \$ 33,220 | \$ 37,266 | \$ (10,866) ⁽²⁾ | \$ 376,669 |
| Paid-in surplus | 227,929,326 | 213,269,616 | 46,881,728 | 52,501,623 | (779,134) ⁽³⁾ | 539,803,159 |
| Undistributed (Over-distribution of) net investment income | 1,865,597 | 2,636,774 | 196,749 | 162,792 | (2,286,041) ⁽⁴⁾ | 2,575,871 |
| Accumulated net realized gain (loss) | (301,434) | (2,644,669) | (35,014) | (274,524) | (68,592) | (3,324,233) |
| Net unrealized appreciation (depreciation) | 31,540,636 | 28,021,861 | 5,546,426 | 5,463,835 | | 70,572,758 |
| Net assets attributable to common shares | \$ 261,195,218 | \$ 241,439,538 | \$ 52,623,109 | \$ 57,890,992 | \$ (3,144,633) | \$ 610,004,224 |
| Net asset value per common share outstanding (net assets attributable to common shares, divided by common shares outstanding) | \$ 16.21 | \$ 15.48 | \$ 15.84 | \$ 15.53 | | \$ 16.19 |
| Authorized shares: | | | | | | |
| Common | Unlimited | Unlimited | Unlimited | Unlimited | | Unlimited |
| Preferred | Unlimited | Unlimited | Unlimited | Unlimited | | Unlimited |

- (1) The pro forma balances are presented as if the Reorganizations were effective as of April 30, 2013, and are presented for informational purposes only. The actual Closing Date of the Reorganizations is expected to be on or about January 13, 2014, 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.
- (2) Assumes the issuance of 14,775,673, 3,226,381 and 3,555,555 Acquiring Fund common shares in exchange for the net assets of Premium Income, Dividend Advantage and Dividend Advantage 2, respectively. These

numbers are based on the net asset value of the Acquiring Fund and Target Funds as of April 30, 2013, adjusted for estimated Reorganization costs, the effect of the required sale of securities and distributions, if any.

- (3) Includes the impact of estimated total Reorganization costs of \$790,000, which will be borne by the common shareholders of the Acquiring Fund, Premium Income, Dividend Advantage and Dividend Advantage 2 in the amounts of \$310,000, \$50,000, \$240,000 and \$190,000, respectively.
- (4) Assumes Premium Income, Dividend Advantage and Dividend Advantage 2 make net investment income distributions of \$2,101,950, \$113,932 and \$70,159, respectively, and Dividend Advantage and Dividend Advantage 2 make accumulated net realized gain distributions of \$18,899 and \$49,693, respectively.

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 \$790,000, 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 cost savings and distribution increases, 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. These estimated expenses will be borne by the Acquiring Fund, Premium Income, Dividend Advantage and Dividend Advantage 2 in the amounts of \$310,000 (0.12%), \$50,000 (0.02%), \$240,000 (0.46%) and \$190,000 (0.33%), respectively. Preferred shareholders of the Funds will not bear any costs of the Reorganizations.

Additional solicitation may be made by letter or telephone by officers or employees of Nuveen Investments or the Adviser, or by dealers and their representatives. The Funds have engaged Computershare Fund Services to assist in the solicitation of proxies at an estimated aggregate cost of \$10,500 per Fund plus reasonable expenses, which is included in the foregoing estimate.

Dissenting Shareholders Rights of Appraisal

Under the charter documents of each Fund, shareholders of the Fund do not have dissenters' rights of appraisal with respect to the Reorganizations.

Material Federal Income Tax Consequences of the Reorganizations

As a condition to each Fund's obligation to consummate the Reorganizations, each Fund will receive a tax opinion from Vedder Price P.C. (which opinion will be based on certain factual representations and certain customary assumptions) with respect to its Reorganization(s) substantially to the effect that, on the basis of the existing provisions of the Code, current administrative rules and court decisions, for federal income tax purposes:

1. The transfer of substantially all of the assets of the Target Fund to the Acquiring Fund in exchange solely for Acquiring Fund shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund, followed by the distribution to the Target Fund shareholders of all the Acquiring Fund shares received by the Target Fund in complete liquidation of the Target Fund will constitute a reorganization within the meaning of Section 368(a) of the Code, and the Acquiring Fund and the Target Fund will each be a party to a reorganization, within the meaning of Section 368(b) of the Code, with respect to the Reorganization.

2. No gain or loss will be recognized by the Acquiring Fund upon the receipt of substantially all of the assets of the Target Fund solely in exchange for Acquiring Fund shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund.
3. No gain or loss will be recognized by the Target Fund upon the transfer of substantially all of the Target Fund's assets to the Acquiring Fund solely in exchange for Acquiring Fund shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund or upon the distribution (whether actual or constructive) of all such Acquiring Fund shares to the Target Fund shareholders solely in exchange for such shareholders' shares of the Target Fund in complete liquidation of the Target Fund.
4. No gain or loss will be recognized by the Target Fund shareholders upon the exchange of their Target Fund shares solely for Acquiring Fund shares in the Reorganization, except with respect to any cash received in lieu of a fractional Acquiring Fund common share.
5. The aggregate basis of the Acquiring Fund shares received by each Target Fund shareholder pursuant to the Reorganization (including any fractional Acquiring Fund common share to which a shareholder would be entitled) will be the same as the aggregate basis of the Target Fund shares exchanged therefor by such shareholder. The holding period of the Acquiring Fund shares received by each Target Fund shareholder (including any fractional Acquiring Fund common share to which a shareholder would be entitled) will include the period during which the Target Fund shares exchanged therefor were held by such shareholder, provided such Target Fund shares are held as capital assets at the time of the Reorganization.
6. The basis of the Target Fund's assets transferred to the Acquiring Fund will be the same as the basis of such assets to the Target Fund immediately before the Reorganization. The holding period of the assets of the Target Fund in the hands of the Acquiring Fund will include the period during which those assets were held by the Target Fund.

In addition, each of Sidley Austin LLP (with respect to the VRDP Shares) and K&L Gates LLP (with respect to the MTP Shares), as special tax counsel to the Acquiring Fund, will deliver an opinion to the Acquiring Fund, subject to certain representations, assumptions and conditions, substantially to the effect that the Acquiring Fund preferred shares received in the Reorganizations by the holders of preferred shares of the Target Funds will qualify as equity in the Acquiring Fund for federal income tax purposes.

No opinion will be expressed as to (1) the effect of the Reorganizations on a Target Fund, the Acquiring Fund or any Target Fund shareholder with respect to any asset (including, without limitation, any stock held in a passive foreign investment company as defined in Section 1297(a) of the Code) as to which any unrealized gain or loss is required to be recognized under federal income tax principles (i) at the end of a taxable year (or on the termination thereof) or (ii) upon the transfer of such asset regardless of whether such transfer would otherwise be a non-taxable transaction under the Code, or (2) any other federal tax issues (except those set forth above) and all state, local or foreign tax issues of any kind.

If a Target Fund shareholder receives cash in lieu of a fractional Acquiring Fund share, the shareholder will be treated as having received the fractional Acquiring Fund share pursuant to the Reorganization and then as having sold that fractional Acquiring Fund share for cash. As a result, each such Target Fund shareholder generally will recognize gain or loss equal to the difference between the amount of cash received and the basis in the fractional Acquiring Fund share to which the shareholder is entitled. This gain or loss generally will be a capital gain or loss and generally will be long-term capital gain or loss if, as of the effective time of the Reorganization, the holding period for the shares (including the holding period of Target Fund shares surrendered therefor if such Target Fund Shares were held as capital assets at the time of the Reorganization) is more than one year. The deductibility of capital losses is subject to limitations. Any cash received in lieu of a fractional share may be subject to backup withholding taxes.

Prior to the closing of the Reorganizations, each Target Fund will declare a distribution to its common shareholders, which together with all previous distributions to preferred and common shareholders, will have the effect of distributing to shareholders all its net investment income and realized net capital gains (after reduction by any available capital loss carryforwards), if any, through the Closing Date of the Reorganizations. To the extent distributions are attributable to ordinary taxable income or capital gains, the distribution will be taxable to shareholders for federal income tax purposes. Each Fund designates distributions to common and preferred shareholders as consisting of particular types of income (such as exempt interest, ordinary income and capital gain) based on each class' proportionate share of the total distributions paid by the Fund during the year. Additional distributions may be made if necessary. All dividends and distributions will be paid in cash unless a shareholder has made an election to reinvest dividends and distributions in additional shares under the Target Fund's dividend reinvestment plan. Dividends and distributions are treated the same for federal income tax purposes whether received in cash or additional shares.

After the Reorganizations, the combined fund's ability to use the Target Funds' or the Acquiring Fund's pre-Reorganization capital losses may be limited under certain federal income tax rules applicable to reorganizations of this type. Therefore, in certain circumstances, shareholders may pay federal income taxes sooner, or pay more federal income taxes, than they would have had the Reorganizations not occurred. The effect of these potential limitations, however, will depend on a number of factors including the amount of the losses, the amount of gains to be offset, the exact timing of the Reorganizations and the amount of unrealized capital gains in the Funds at the time of the Reorganizations. As of April 30, 2013, the Funds had capital loss carryforwards as follows:

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 |
|----------------------------|---------------------------|---------------------------|-------------------------------|---------------------------------|
| Capital loss carryforwards | \$ 13,518 | \$ 2,167,149 | \$ | \$ |

If not applied, the capital loss carryforwards will expire as follows:

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 |
|------------------|---------------------------|---------------------------|-------------------------------|---------------------------------|
| Expiration Date: | | | | |
| April 30, 2017 | \$ 13,518 | \$ 2,167,149 | \$ | \$ |

For net capital losses arising in taxable years beginning after December 22, 2010 (post-enactment losses), a Fund will generally be able to carryforward such capital losses indefinitely. A

Fund's net capital losses from taxable years beginning on or prior to December 22, 2010, however, will remain subject to their current expiration dates and can be used only after the post-enactment losses.

In addition, the shareholders of a Target Fund will receive a proportionate share of any taxable income and gains realized by the Acquiring Fund and not distributed to its shareholders prior to the closing of the Reorganizations when such income and gains are eventually distributed by the Acquiring Fund. As a result, shareholders of a Target Fund may receive a greater amount of taxable distributions than they would have had the Reorganizations not occurred.

This description of the federal income tax consequences of the Reorganizations is made without regard to the particular facts and circumstances of any shareholder. Shareholders are urged to consult their own tax advisers as to the specific consequences to them of the Reorganizations, including the applicability and effect of state, local, non-U.S. and other tax laws.

The foregoing is intended to be only a summary of the principal federal income tax consequences of the Reorganizations and should not be considered to be tax advice. There can be no assurance that the Internal Revenue Service will concur on all or any of the issues discussed above. Shareholders are urged to consult their own tax advisers regarding the federal, state and local tax consequences with respect to the foregoing matters and any other considerations which may be applicable to them.

Votes Required

Each Reorganization is required to be approved by the affirmative vote of the holders of a majority (more than 50%) of the outstanding shares of the Target Fund's and the Acquiring Fund's common shares and preferred shares entitled to vote on the matter, voting as a single class, and by the affirmative vote of the holders of a majority (more than 50%) of each such Fund's outstanding preferred shares entitled to vote on the matter, voting as a separate class. Holders of VRDP Shares of the Acquiring Fund and Premium Income are being solicited separately on the foregoing proposals through a separate proxy statement and not through this Joint Proxy Statement/Prospectus. Holders of MTP Shares of Dividend Advantage and Dividend Advantage 2 are being solicited on the foregoing proposals through this Joint Proxy Statement/Prospectus. In addition, the Acquiring Fund's common shareholders entitled to vote on the matter, voting separately, and the Acquiring Fund's common and preferred shareholders entitled to vote on the matter, voting together as a single class, are being asked to approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganizations. See Proposal No. 3 Approval of Issuance of Additional Common Shares of Acquiring Fund for a description of the votes required for such share issuance.

Abstentions and broker non-votes will have the same effect as a vote against the approval of the Reorganizations. Broker non-votes are shares held by brokers or nominees for which the brokers or nominees have executed proxies as to which (i) the broker or nominee does not have discretionary voting power and (ii) the broker or nominee has not received instructions from the beneficial owner or other person who is entitled to instruct how the shares will be voted.

Preferred shareholders of each Fund are separately being asked to approve the Agreement as a plan of reorganization under the 1940 Act. Section 18(a)(2)(D) of the 1940 Act provides that the terms of preferred shares issued by a registered closed-end management investment company must contain provisions requiring approval by the vote of a majority of such shares, voting as a class, of any

plan of reorganization adversely affecting such shares. The 1940 Act makes no distinction between a plan of reorganization that has an adverse effect as opposed to a materially adverse effect. While the respective Boards do not believe that the Funds' preferred shareholders would be materially adversely affected by the Reorganizations, it is possible that there may be insignificant adverse effects (such as where the asset coverage with respect to the Acquiring Fund preferred shares issued pursuant to a Reorganization is slightly more or less than the asset coverage with respect to the shares of Target Fund preferred shares for which they are exchanged). Each Fund is seeking approval of the Agreement by the holders of that Fund's preferred shares.

The closing of each Reorganization is contingent upon the closing of all of the Reorganizations. In order for the Reorganization to occur, each Fund must obtain the requisite shareholder approvals as well as certain consents, confirmations and/or waivers from various third parties, including rating agencies with respect to preferred shares and liquidity providers with respect to outstanding VRDP Shares. Because the closing of the Reorganizations is contingent upon all of the Target Funds and the Acquiring Fund obtaining the requisite 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 approve the Reorganization(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 its closing conditions. VRDP Shares were issued on a private placement basis to one or a small number of institutional holders. To the extent that one or more preferred shareholders of a Fund owns, holds or controls, individually or in the aggregate, all or a significant portion of a Fund's outstanding preferred shares, one or more shareholder approvals required for the Reorganizations may turn on the exercise of voting rights by such particular shareholder(s) and its or their determination as to the favorable view of such proposal(s) with respect to its or their interests. The Funds exercise no influence or control over the determinations of such shareholders with respect to the proposals; there is no guarantee that such shareholders will approve the proposals over which they may exercise effective disposition power. If the requisite shareholder approvals are not obtained, each Fund's Board may take such actions as it deems in the best interest of its Fund, including conducting additional solicitations with respect to the proposals or continuing to operate the Fund as a stand-alone fund.

Description of Common Shares to be Issued by the Acquiring Fund; Comparison to Target Funds

General

As a general matter, the common shares of the Acquiring Fund and each Target Fund have equal voting rights and equal rights with respect to the payment of dividends and the distribution of assets upon liquidation with respect to their respective Fund and have no preemptive, conversion or exchange rights or rights to cumulative voting. Holders of whole common shares of each Fund are entitled to one vote per share on any matter on which the shares are entitled to vote, while each fractional share is entitled to a proportional fractional vote. Furthermore, the provisions set forth in the Acquiring Fund's declaration of trust are substantially similar to the provisions of each Target Fund's declaration of trust and each contains, among other things, similar super-majority voting provisions, as described under Additional Information about the Funds' Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws. The full text of each Fund's declaration of trust is on file with the SEC and may be obtained as described on page vi.

The Acquiring Fund's declaration of trust authorizes an unlimited number of common shares, par value \$0.01 per share. If the Reorganizations are consummated, the Acquiring Fund will issue additional common shares on the Closing Date to the common shareholders of each Target Fund based on the relative per share net asset value of the Acquiring Fund and the net asset values of the assets of such Target Fund that are transferred in connection with the Reorganization, in each case as of the Valuation Time. The value of a Fund's net assets shall be calculated net of the liquidation preference (including accumulated and unpaid dividends) of all of the Fund's outstanding preferred shares.

The terms of the Acquiring Fund common shares to be issued pursuant to the Reorganizations will be identical to the terms of the Acquiring Fund common shares that are then outstanding. Acquiring Fund common shares have equal rights with respect to the payment of dividends and the distribution of assets upon liquidation. The Acquiring Fund common shares, when issued, will be fully paid and non-assessable and have no preemptive, conversion or exchange rights or rights to cumulative voting. See also Summary Description of Massachusetts Business Trusts.

Distributions

As a general matter, each Fund has a monthly distribution policy and each Fund seeks to maintain a stable level of distributions. Each Fund's present policy, which may be changed by its Board, is to make regular monthly cash distributions to holders of its common shares at a level rate (stated in terms of a fixed cents per common share dividend rate) that reflects the past and projected performance of the Fund.

The Acquiring Fund's ability to maintain a level dividend rate will depend on a number of factors, including the rate at which dividends are payable on the preferred shares. The net income of the Acquiring Fund generally consists of all interest income accrued on portfolio assets less all expenses of the Fund. Expenses of the Acquiring Fund are accrued each day. Over time, all the net investment income of the Acquiring Fund will be distributed. At least annually, the Acquiring Fund also intends to effectively distribute net capital gain and ordinary taxable income, if any, after paying any accrued dividends or making any liquidation payments to preferred shareholders. Although it does not now intend to do so, the Board may change the Acquiring Fund's dividend policy and the amount or timing of the distributions based on a number of factors, including the amount of the Fund's undistributed net investment income and historical and projected investment income and the amount of the expenses and dividend rates on the outstanding preferred shares.

As explained more fully below, at least annually, the Acquiring Fund may elect to retain rather than distribute all or a portion of any net capital gain (which is the excess of net long-term capital gain over net short-term capital loss) otherwise allocable to shareholders and pay federal income tax on the retained gain. As provided under federal income tax law, shareholders will include their share of the retained net capital gain in their income for the year as a long-term capital gain (regardless of their holding period in the shares), and will be entitled to an income tax credit or refund for the federal income tax deemed paid on their behalf by the Acquiring Fund. See Federal Income Tax Matters Associated with Investment in the Acquiring Fund under Additional Information About the Acquiring Fund below and Tax Matters Federal Income Tax Matters in the Reorganization SAI.

So long as preferred shares are outstanding, the Acquiring Fund may not declare a dividend or distribution to common shareholders (other than a dividend in common shares of the Fund) or purchase its common shares unless all accumulated dividends on preferred shares have been paid, and unless

asset coverage (as defined in the 1940 Act) with respect to preferred shares at the time of the declaration of such dividend or distribution or at the time of such purchase would be at least 200% after giving effect to the dividend or distribution or purchase price.

Dividend Reinvestment Plan

Generally, the terms of the dividend reinvestment plan (the Plan) for the Acquiring Fund and each Target Fund are identical. Under the Acquiring Fund's Plan, you may elect to have all dividends, including any capital gain distributions, on your common shares automatically reinvested by State Street Bank and Trust Company (the Plan Agent) in additional common shares under the Plan. You may elect to participate in the Plan by completing the Dividend Reinvestment Plan Application Form. If you do not participate, you will receive all distributions in cash paid by check mailed directly to you by State Street Bank and Trust Company as dividend paying agent.

If you decide to participate in the Plan of the Acquiring Fund, the number of common shares you will receive will be determined as follows:

(1) If common shares are trading at or above net asset value at the time of valuation, the Acquiring Fund will issue new shares at the then current market price; or

(2) If common shares are trading below net asset value at the time of valuation, the Plan Agent will receive the dividend or distribution in cash and will purchase common shares in the open market, on the exchange on which the common shares are listed, for the participants accounts. It is possible that the market price for the common shares may increase before the Plan Agent has completed its purchases. Therefore, the average purchase price per share paid by the Plan Agent may exceed the market price at the time of valuation, resulting in the purchase of fewer shares than if the dividend or distribution had been paid in common shares issued by the Acquiring Fund. The Plan Agent will use all dividends and distributions received in cash to purchase common shares in the open market within 30 days of the valuation date. Interest will not be paid on any uninvested cash payments.

If the Plan Agent begins purchasing Acquiring Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value.

You may withdraw from the Plan at any time by giving written notice to the Plan Agent. If you withdraw or the Plan is terminated, you will receive a cash payment for any fraction of a share in your account. If you wish, the Plan Agent will sell your shares and send you the proceeds, minus brokerage commissions and a \$2.50 service fee.

The Plan Agent maintains all shareholders' accounts in the Plan and gives written confirmation of all transactions in the accounts, including information you may need for tax records. Common shares in your account will be held by the Plan Agent in non-certificated form. Any proxy you receive will include all common shares you have received under the Plan.

There is no brokerage charge for reinvestment of your dividends or distributions in common shares. However, all participants will pay a pro rata share of brokerage commissions incurred by the Plan Agent when it makes open market purchases.

Automatically reinvesting dividends and distributions does not mean that you do not have to pay income taxes due on taxable dividends and distributions.

The Acquiring Fund reserves the right to amend or terminate the Plan if in the judgment of the Board of the Acquiring Fund the change is warranted. There is no direct service charge to participants in the Plan; however, the Acquiring Fund reserves the right to amend the Plan to include a service charge payable by the participants. Additional information about the Plan may be obtained from State Street Bank and Trust Company, Attn: Computershare Nuveen Investments, P.O. Box 43071, Providence, Rhode Island 02940-3071, (800) 257-8787.

Common Share Price Data

The following tables show for the periods indicated: (i) the high and low sales prices for common shares reported as of the end of the day on the corresponding stock exchange of each fund, (ii) the high and low net asset values of the common shares, and (iii) the high and low of the premium/(discount) to net asset value (expressed as a percentage) of the common shares.

| Quarter Ended | Market Price | | Acquiring Fund Net Asset Value | | Premium/(Discount) | |
|---------------|--------------|----------|-----------------------------------|----------|--------------------|---------|
| | High | Low | High | Low | High | Low |
| | April 2013 | \$ 16.05 | \$ 14.80 | \$ 16.27 | \$ 15.89 | (1.29)% |
| January 2013 | \$ 16.74 | \$ 15.64 | \$ 16.68 | \$ 16.14 | 1.97% | (3.28)% |
| October 2012 | \$ 16.59 | \$ 15.75 | \$ 16.34 | \$ 16.00 | 2.28% | (2.48)% |
| July 2012 | \$ 16.20 | \$ 15.39 | \$ 16.25 | \$ 15.79 | 1.51% | (3.27)% |
| April 2012 | \$ 15.85 | \$ 14.80 | \$ 15.86 | \$ 15.43 | 0.83% | (4.70)% |
| January 2012 | \$ 15.34 | \$ 14.11 | \$ 15.84 | \$ 14.85 | (0.20)% | (5.17)% |
| October 2011 | \$ 14.68 | \$ 13.73 | \$ 15.15 | \$ 14.66 | (2.39)% | (7.82)% |
| July 2011 | \$ 14.40 | \$ 13.10 | \$ 14.61 | \$ 14.11 | (0.96)% | (7.49)% |
| April 2011 | \$ 13.46 | \$ 12.85 | \$ 14.11 | \$ 13.63 | (3.30)% | (7.80)% |
| January 2011 | \$ 14.73 | \$ 12.47 | \$ 15.19 | \$ 13.43 | (3.03)% | (9.66)% |
| October 2010 | \$ 14.91 | \$ 14.36 | \$ 15.43 | \$ 15.02 | (2.24)% | (4.72)% |
| July 2010 | \$ 14.49 | \$ 13.52 | \$ 15.02 | \$ 14.77 | (3.46)% | (9.15)% |

| Quarter Ended | Market Price | | Premium Income Net Asset Value | | Premium/(Discount) | |
|---------------|--------------|----------|-----------------------------------|----------|--------------------|----------|
| | High | Low | High | Low | High | Low |
| | April 2013 | \$ 15.58 | \$ 14.18 | \$ 15.52 | \$ 15.21 | 0.45% |
| January 2013 | \$ 15.78 | \$ 14.87 | \$ 15.87 | \$ 15.42 | 0.26% | (3.75)% |
| October 2012 | \$ 15.35 | \$ 14.66 | \$ 15.60 | \$ 15.33 | (1.04)% | (4.68)% |
| July 2012 | \$ 15.12 | \$ 14.26 | \$ 15.54 | \$ 15.14 | (2.51)% | (6.43)% |
| April 2012 | \$ 14.67 | \$ 13.64 | \$ 15.20 | \$ 14.83 | (2.65)% | (8.37)% |
| January 2012 | \$ 14.37 | \$ 13.26 | \$ 15.18 | \$ 14.30 | (4.33)% | (7.91)% |
| October 2011 | \$ 13.32 | \$ 12.69 | \$ 14.56 | \$ 14.10 | (6.79)% | (11.69)% |
| July 2011 | \$ 13.10 | \$ 12.37 | \$ 14.06 | \$ 13.52 | (6.24)% | (9.32)% |
| April 2011 | \$ 12.36 | \$ 12.03 | \$ 13.52 | \$ 13.01 | (5.95)% | (9.43)% |
| January 2011 | \$ 14.35 | \$ 11.74 | \$ 14.56 | \$ 12.81 | (1.37)% | (9.69)% |
| October 2010 | \$ 14.30 | \$ 13.65 | \$ 14.78 | \$ 14.37 | (2.13)% | (7.52)% |
| July 2010 | \$ 13.80 | \$ 12.90 | \$ 14.37 | \$ 14.08 | (3.90)% | (9.28)% |

| Quarter Ended | Market Price | | Dividend Advantage Net Asset Value | | Premium/(Discount) | |
|---------------|--------------|----------|---------------------------------------|----------|--------------------|----------|
| | High | Low | High | Low | High | Low |
| | April 2013 | \$ 15.41 | \$ 14.20 | \$ 15.89 | \$ 15.56 | (2.96)% |
| January 2013 | \$ 15.95 | \$ 14.74 | \$ 16.30 | \$ 15.80 | (1.48)% | (6.71)% |
| October 2012 | \$ 15.79 | \$ 14.81 | \$ 15.96 | \$ 15.65 | (0.94)% | (6.56)% |
| July 2012 | \$ 15.20 | \$ 14.31 | \$ 15.90 | \$ 15.45 | (3.46)% | (8.15)% |
| April 2012 | \$ 15.10 | \$ 13.89 | \$ 15.44 | \$ 15.13 | (1.88)% | (8.44)% |
| January 2012 | \$ 14.79 | \$ 13.52 | \$ 15.42 | \$ 14.67 | (3.87)% | (8.65)% |
| October 2011 | \$ 13.59 | \$ 13.01 | \$ 14.95 | \$ 14.54 | (8.04)% | (12.04)% |
| July 2011 | \$ 13.57 | \$ 12.83 | \$ 14.50 | \$ 14.01 | (5.76)% | (9.40)% |
| April 2011 | \$ 12.86 | \$ 12.52 | \$ 14.00 | \$ 13.58 | (6.10)% | (9.34)% |
| January 2011 | \$ 15.00 | \$ 12.30 | \$ 15.18 | \$ 13.42 | (1.06)% | (9.91)% |
| October 2010 | \$ 15.46 | \$ 14.75 | \$ 15.38 | \$ 15.00 | 0.78% | (4.03)% |
| July 2010 | \$ 14.97 | \$ 13.66 | \$ 15.00 | \$ 14.71 | 0.34% | (7.90)% |

| Quarter Ended | Market Price | | Dividend Advantage 2 Net Asset Value | | Premium/(Discount) | |
|---------------|--------------|----------|---|----------|--------------------|----------|
| | High | Low | High | Low | High | Low |
| | April 2013 | \$ 15.41 | \$ 13.93 | \$ 15.59 | \$ 15.25 | (1.09)% |
| January 2013 | \$ 16.44 | \$ 14.85 | \$ 15.98 | \$ 15.48 | 3.72% | (4.30)% |
| October 2012 | \$ 15.63 | \$ 14.90 | \$ 15.66 | \$ 15.37 | 0.26% | (4.12)% |
| July 2012 | \$ 15.30 | \$ 14.53 | \$ 15.61 | \$ 15.19 | (0.91)% | (4.85)% |
| April 2012 | \$ 15.00 | \$ 14.09 | \$ 15.18 | \$ 14.95 | (1.06)% | (5.84)% |
| January 2012 | \$ 14.53 | \$ 13.42 | \$ 15.14 | \$ 14.48 | (3.26)% | (7.88)% |
| October 2011 | \$ 13.68 | \$ 13.12 | \$ 14.86 | \$ 14.41 | (6.52)% | (10.52)% |
| July 2011 | \$ 13.68 | \$ 13.00 | \$ 14.48 | \$ 14.09 | (5.07)% | (8.43)% |
| April 2011 | \$ 13.10 | \$ 12.70 | \$ 14.08 | \$ 13.69 | (4.38)% | (9.12)% |
| January 2011 | \$ 15.21 | \$ 12.29 | \$ 15.17 | \$ 13.57 | 0.33% | (9.47)% |
| October 2010 | \$ 15.25 | \$ 14.71 | \$ 15.33 | \$ 14.97 | 1.08% | (3.73)% |
| July 2010 | \$ 15.16 | \$ 13.58 | \$ 14.96 | \$ 14.71 | 1.88% | (8.24)% |

On [], 2013, the closing sale prices of the Acquiring Fund, Premium Income, Dividend Advantage and Dividend Advantage 2 common shares were \$[], \$[], \$[] and \$[], respectively. These prices represent a premium to net asset value of [] of []% and a discount to net asset value of [] of []%, [respectively].

Common shares of each Fund have historically traded at both a premium and discount to net asset value. It is not possible to state whether Acquiring Fund common shares will trade at a premium or discount to net asset value following the Reorganizations, or what the extent of any such premium or discount might be.

Description of VRDP Shares to be Issued by the Acquiring Fund

The terms of the VRDP Shares of the Acquiring Fund to be issued pursuant to the Reorganization of Premium Income into the Acquiring Fund (the New VRDP Shares) will be substantially identical, as of the closing of the Reorganization, to the outstanding VRDP Shares of Premium Income for which they are exchanged. The aggregate liquidation preference of the New VRDP Shares will equal the aggregate liquidation preference of the VRDP Shares of Premium Income

immediately prior to the closing of the Reorganization. In addition, the terms of the New VRDP Shares will be substantially identical to the Outstanding VRDP Shares of the Acquiring Fund.

The outstanding VRDP Shares of Premium Income have a mandatory redemption date of December 1, 2042, subject to earlier redemption or repurchase by the Fund, and pay an adjustable dividend rate set weekly by the remarketing agent. The New VRDP Shares will have the same mandatory redemption date as the Premium Income shares exchanged therefor. Holders of the New VRDP Shares will have the right to give notice on any business day to tender the securities for remarketing in seven days. The New VRDP Shares will also be subject to a mandatory tender for remarketing upon the occurrence of certain events, such as the non-payment of dividends by a Fund, among others. Should a remarketing be unsuccessful, the dividend rate will reset to a maximum rate as defined in the governing documents of the New VRDP Shares.

The New VRDP Shares will have the benefit of an unconditional demand feature pursuant to a purchase agreement provided by a bank acting as liquidity provider to ensure full and timely repayment of the liquidation preference amount plus any accumulated and unpaid dividends to holders upon the occurrence of certain events. The agreement requires the liquidity provider to purchase from holders all New VRDP Shares tendered for sale that were not successfully remarketed. The liquidity provider also must purchase all outstanding New VRDP Shares prior to termination of the purchase agreement, including by reason of the failure of the liquidity provider to maintain the requisite short-term ratings, if the Acquiring Fund has not obtained an alternate purchase agreement before the termination date.

The obligation of the liquidity provider to purchase the New VRDP Shares pursuant to the purchase agreement will run to the benefit of the holders of the New VRDP Shares and will be unconditional and irrevocable, and as such the short-term ratings assigned to the New VRDP Shares are directly linked to the short-term creditworthiness of the associated liquidity provider. The liquidity provider entered into a purchase agreement with respect to the Premium Income VRDP Shares with an initial term of 364 days, subject to periodic extension by agreement with the Fund. The initial term of the purchase agreement with the liquidity provider for the New VRDP Shares is expected to be no less than the remaining term of the purchase agreement with respect to the VRDP Shares of Premium Income exchanged therefor.

Prior to the final mandatory redemption date of December 1, 2042, the New VRDP Shares will be subject to optional and mandatory redemption by the Acquiring Fund in certain circumstances. New VRDP Shares may be redeemed at any time, at the option of the Acquiring Fund (in whole or, from time to time, in part), out of funds legally available therefor, at a redemption price per share equal to the sum of \$100,000 plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed for redemption. Pursuant to the statement of preferences and a fee agreement with the liquidity provider for the New VRDP Shares, the Acquiring Fund will have an obligation to redeem, at a redemption price equal to \$100,000 per share plus accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, shares purchased by the liquidity provider pursuant to its obligations under the purchase agreement if the liquidity provider continues to be the beneficial owner for a period of six months and such shares cannot be successfully remarketed. The Acquiring Fund also will redeem, at a redemption price equal to the liquidation preference per share plus accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, such number of preferred shares as is necessary to achieve compliance with the applicable requirement, if the Acquiring Fund fails to maintain (i) the minimum asset coverage

required under the 1940 Act and the Acquiring Fund's agreement with the liquidity provider or (ii) the VRDP basic maintenance amount prescribed by the applicable rating agencies then rating the New VRDP Shares, and such failures are not cured by the applicable cure date. In the event of changes in, or elimination of, any or all long-term ratings of the New VRDP Shares, the requirement to effect a mandatory redemption after the applicable cure date upon a failure to maintain the VRDP basic maintenance amount may be changed or eliminated.

The New VRDP Shares will be senior in priority to the Acquiring Fund's common shares as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The New VRDP Shares will rank on a parity as to the payment of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund with other preferred shares of the Acquiring Fund, including the Outstanding VRDP Shares and the MTP Shares.

Premium Income initially issued VRDP Shares in a private offering during August 2010. Proceeds of the offering were used to redeem all of the Fund's outstanding auction rate preferred shares. In December 2012, Premium Income exchanged all of its 1,000 Series 1 VRDP Shares for 1,000 Series 2 VRDP Shares in privately negotiated exchanges and issued 50 new Series 2 VRDP Shares. The VRDP Shares were offered to qualified institutional buyers in private transactions exempt from registration under the Securities Act of 1933.

Description of MTP Shares to be Issued by the Acquiring Fund

The following is a brief description of the terms of the MTP Shares of the Acquiring Fund to be issued pursuant to the Reorganizations of Dividend Advantage and Dividend Advantage 2 into the Acquiring Fund (the "Acquiring Fund MTP Shares"). The terms of the Acquiring Fund MTP Shares will be substantially identical, as of the time of the exchange, to the outstanding MTP Shares of Dividend Advantage and Dividend Advantage 2 for which they are exchanged. The MTP Shares of each of Dividend Advantage and Dividend Advantage 2 will be exchanged for new series of Acquiring Fund MTP Shares having the same fixed per annum dividend rate, mandatory redemption term and liquidation preference as the MTP Shares held by preferred shareholders of Dividend Advantage and Dividend Advantage 2 immediately prior to the closing of the Reorganizations. Features of the preferred shares that vary over time, such as the optional redemption premium, will reflect the terms that are effectively in place as of the closing of the Reorganizations. The description set forth below assumes that the Reorganizations will be consummated and that the Acquiring Fund will issue Acquiring Fund MTP Shares to Dividend Advantage and Dividend Advantage 2 pursuant to the Agreement. This description does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Acquiring Fund's Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares and the appendices thereto (the "MTP Statement") attached as Appendix C to the Reorganization SAI. Each series of MTP Shares will be issued pursuant to the MTP Statement and an appendix applicable to such series. Capitalized terms used but not defined herein have the meanings given them above or in the MTP Statement.

General

The Acquiring Fund's Declaration of Trust authorizes the issuance of an unlimited number of preferred shares, par value \$0.01 per share, in one or more classes or series, with rights as determined by the Board without the approval of holders of common shares. On the Closing Date, the Acquiring

Fund will issue to each of Dividend Advantage and Dividend Advantage 2 that number of shares of Acquiring Fund MTP Shares equal to the number of shares of MTP Shares of Dividend Advantage and Dividend Advantage 2, respectively, that are outstanding immediately prior to the closing of the Reorganizations. All Acquiring Fund MTP Shares will have a liquidation preference of \$10 per share (the Liquidation Preference) plus an amount equal to the accumulated but unpaid dividends (whether or not earned or declared) on such shares. The aggregate liquidation preference of the Acquiring Fund MTP Shares received by Dividend Advantage and Dividend Advantage 2 in connection with the Reorganizations will equal the aggregate liquidation preference of the MTP Shares held by preferred shareholders of Dividend Advantage and Dividend Advantage 2, respectively, immediately prior to the closing of the Reorganizations. Upon issuance in accordance with the Agreement, the Acquiring Fund MTP Shares will be fully paid and non-assessable and have no preemptive, conversion or exchange rights or rights to cumulative voting. The Acquiring Fund MTP Shares will rank equally with each other and with any other series of preferred shares of the Acquiring Fund outstanding as of the Closing Date or that might be issued in the future, as to payment of dividends and the distribution of the Acquiring Fund's assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The Acquiring Fund MTP Shares and all other preferred shares of the Acquiring Fund are senior as to dividends and as to distribution of assets upon liquidation to the Acquiring Fund's common shares. The Acquiring Fund may issue additional series of preferred shares in the future, including series that will be classified as MTP Shares, and any such series, together with the outstanding preferred shares, are herein collectively referred to as preferred shares. Except in certain limited circumstances, holders of MTP Shares will not receive certificates representing their ownership interest in such shares, and the MTP Shares will be represented by a global certificate to be held by the Securities Depository for the MTP Shares. The Depository Trust Company will initially act as Securities Depository with respect to the MTP Shares.

Dividends and Dividend Periods

General. The following is a general description of dividends and dividend periods of MTP Shares. The holders of MTP Shares will be entitled to receive cumulative cash dividends and distributions on such shares, when, as and if declared by, or under authority granted by, the Board, out of funds legally available for payment and in preference to dividends and distributions on common shares of the Acquiring Fund, calculated separately for each dividend period for such MTP Shares at the Dividend Rate (as defined below) for such MTP Shares in effect during such dividend period, on an amount equal to the Liquidation Preference for such MTP Shares. The Dividend Rate is computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends so declared and payable will be paid to the extent permitted under state law and the Acquiring Fund's Declaration of Trust, and to the extent available, in preference to and priority over any dividend declared and payable on the common shares.

Fixed Dividend Rate. Each series of MTP Shares has a Fixed Dividend Rate as set forth in the MTP Statement. The Fixed Dividend Rate for MTP Shares may be adjusted in certain circumstances, including a change in the credit rating of such MTP Shares and/or upon the occurrence of certain events resulting in a Default Period (as defined below) (the Fixed Dividend Rate as it may be adjusted is referred to as the Dividend Rate). The Acquiring Fund MTP Shares issued to Dividend Advantage and Dividend Advantage 2 pursuant to the Agreement will have the same Fixed Dividend Rate as the outstanding Acquired Fund MTP Shares exchanged therefor.

Payment of Dividends and Dividend Periods. Dividends on the MTP Shares will be payable monthly. The first dividend period for Acquiring Fund MTP Shares issued pursuant to the Agreement will commence on the Closing Date and end on the last day of the month including the Closing Date, and each subsequent dividend period will be a calendar month (or the portion thereof occurring prior to the redemption of such MTP Shares) (each, a Dividend Period). Dividends will be paid on the first Business Day of the month next following a Dividend Period and upon redemption of the MTP Shares, except that dividends paid with respect to any Dividend Period consisting of the month of December in any year will be paid on the last Business Day of December (each payment date, a Dividend Payment Date). Except for the first Dividend Period for the Acquiring Fund MTP Shares, dividends with respect to any monthly Dividend Period will be declared and paid to holders of record of MTP Shares as their names shall appear on the registration books of the Acquiring Fund at the close of business on the 15th day of such monthly Dividend Period (or if such day is not a Business Day, the next preceding Business Day). Dividends with respect to the first Dividend Period for the Acquiring Fund MTP Shares will be declared and paid to holders of record of such MTP Shares as their names appear on the registration books of the Acquiring Fund at the close of business on the 15th day of the month following the Closing Date or such later date as determined by the Board. Dividends payable on any MTP Shares for any period of less than a full monthly Dividend Period, including in connection with the first Dividend Period for such shares or upon any redemption of such shares on any redemption date other than on a Dividend Payment Date, will be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed for any period of less than one month. On account of the foregoing provisions, only the holders of MTP Shares on the record date for a Dividend Period will be entitled to receive dividends and distributions payable with respect to such Dividend Period, and holders of MTP Shares who sell shares before such a record date and purchasers of MTP Shares who purchase shares after such a record date should take the effect of the foregoing provisions into account in evaluating the price to be received or paid for such MTP Shares.

Adjustment to Fixed Dividend Rate Ratings. So long as MTP Shares of a series are rated on any date AAA by S&P, Aaa by Moody's or AAA by Fitch, the Dividend Rate shall be equal to the Fixed Dividend Rate. If the highest credit rating assigned on any date to outstanding MTP Shares by any of S&P, Moody's or Fitch is equal to one of the ratings set forth in the table below, the Dividend Rate applicable to such outstanding MTP Shares for such date will be computed or adjusted by multiplying the Fixed Dividend Rate by the applicable percentage (expressed as a decimal) set forth opposite the applicable highest credit rating so assigned on such date to such outstanding MTP Shares by any such rating agency as set forth in the table below.

Dividend Rate Adjustment Schedule

| S&P | Moody's | Fitch | Applicable Percentage |
|----------------|----------------|---------------|------------------------------|
| AA+ to AA- | Aa1 to Aa3 | AA+ to AA- | 110% |
| A+ to A- | A1 to A3 | A+ to A- | 125% |
| BBB+ to BBB- | Baa1 to Baa3 | BBB+ to BBB- | 150% |
| BB+ and lower | Ba1 and lower | BB+ and lower | 200% |

If no rating agency is rating an outstanding series of MTP Shares, the Dividend Rate applicable to the MTP Shares of such series for such date shall be adjusted by multiplying the Fixed Dividend Rate for such shares by 200%. The Board of the Acquiring Fund has the right to terminate the designation of any of S&P, Moody's and Fitch as a rating agency of MTP Shares, provided that at least

one rating agency continues to maintain a rating with respect to the MTP Shares. In such event, any rating of such terminated rating agency, to the extent it would have been taken into account in any of the provisions of the Acquiring Fund MTP Shares that are described in this Joint Proxy Statement/Prospectus or included in the MTP Statement, will be disregarded, and only the ratings of the then-designated Rating Agencies (as defined below) will be taken into account. If a rating agency replaces any credit rating used in the determination of the Dividend Rate with a replacement credit rating, references to the replaced credit rating shall thereafter refer to the replacement credit rating. No adjustment to the Dividend Rate shall result in the Dividend Rate being less than the Fixed Dividend Rate.

Adjustment to Fixed Dividend Rate Default Period. The Dividend Rate will be adjusted to the Default Rate in the following circumstances. Subject to the cure provisions below, a Default Period with respect to MTP Shares will commence on a date the Acquiring Fund fails to deposit with the Redemption and Paying Agent by 12:00 noon, New York City time, on the (i) applicable Dividend Payment Date, Deposit Securities (as defined below) sufficient to pay the full amount of any dividend on Acquiring Fund MTP Shares payable on such Dividend Payment Date (a Dividend Default) or (ii) applicable Redemption Date (as defined below), Deposit Securities sufficient to pay the full amount of the redemption price payable on such Redemption Date (a Redemption Default and, together with a Dividend Default, referred to as a Default). Subject to the cure provisions in the next paragraph below, a Default Period with respect to a Dividend Default or a Redemption Default shall end on the Business Day on which, by 12:00 noon, New York City time, an amount equal to all unpaid dividends and any unpaid redemption price shall have been deposited irrevocably in trust in same-day funds with the Redemption and Paying Agent. The Redemption and Paying Agent for MTP Shares will be State Street Bank and Trust Company, Canton, Massachusetts. In the case of a Default, the applicable dividend rate for each day during the Default Period will be equal to the Default Rate. The Default Rate for any calendar day shall be equal to the applicable Dividend Rate in effect on such day plus five percent (5%) per annum. No Default Period with respect to a Dividend Default or Redemption Default will be deemed to commence if the amount of any dividend or any redemption price due (if such default is not solely due to the willful failure of the Acquiring Fund) is deposited irrevocably in trust, in same-day funds with the Redemption and Paying Agent by 12:00 noon, New York City time, on a Business Day that is not later than three Business Days after the applicable Dividend Payment Date or Redemption Date, together with an amount equal to the Default Rate applied to the amount and period of such non-payment based on the actual number of calendar days comprising such period divided by 360.

Mechanics of Payment of Dividends. Not later than 12:00 noon, New York City time, on a Dividend Payment Date, the Acquiring Fund is required to deposit with the Redemption and Paying Agent sufficient funds for the payment of dividends in the form of Deposit Securities. Deposit Securities will generally consist of (i) cash or cash equivalents; (ii) direct obligations of the United States or its agencies or instrumentalities that are entitled to the full faith and credit of the United States (U.S. Government Obligations); (iii) securities that constitute municipal securities as described in this prospectus, including municipal bonds and notes, other securities issued to finance and refinance public projects, and other related securities and derivative instruments creating exposure to municipal bonds, notes and securities that provide for the payment of income that is exempt from federal income taxes (Municipal Obligations) that have credit ratings from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to Municipal Obligations with substantially similar terms; (iv) investments in money market funds registered under the 1940 Act that qualify under Rule 2a-7 under the 1940 Act and certain similar investment vehicles that invest in Municipal

Obligations, U.S. Government Obligations or any combination thereof; or (v) any letter of credit from a bank or other financial institution that has a credit rating from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to bank deposits or short-term debt of similar banks or other financial institutions, in each case either that is a demand obligation payable to the holder on any Business Day or that has a maturity date, mandatory redemption date or mandatory payment date, preceding the relevant Redemption Date, Dividend Payment Date or other payment date. The Acquiring Fund does not intend to establish any reserves for the payment of dividends. All Deposit Securities paid to the Redemption and Payment Agent for the payment of dividends will be held in trust for the payment of such dividends to the holders of MTP Shares. Dividends will be paid by the Redemption and Payment Agent to the holders of Acquiring Fund MTP Shares as their names appear on the registration books of the Acquiring Fund. Dividends that are in arrears for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date. Such payments are made to holders of Acquiring Fund MTP Shares as their names appear on the registration books of the Acquiring Fund on such date, not exceeding 15 calendar days preceding the payment date thereof, as may be fixed by the Board. Any payment of dividends in arrears will first be credited against the earliest accumulated but unpaid dividends. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on any MTP Shares which may be in arrears. See **Adjustment to Fixed Dividend Rate Default Period**. Upon failure to pay dividends for at least two years, the holders of MTP Shares will acquire certain additional voting rights. See **Voting Rights** below. Such rights shall be the exclusive remedy of the holders of MTP Shares upon any failure to pay dividends on MTP Shares.

Distributions with Respect to Taxable Allocations

Holders of MTP Shares will be entitled to receive, when, as and if declared by the Board, out of funds legally available therefor, additional distributions payable with respect to Taxable Allocations (as defined below) that are paid with respect to such shares in accordance with one of the procedures described in the following three paragraphs as set forth below.

Each year, the Acquiring Fund will allocate exempt interest dividends, ordinary income dividends and capital gain distributions between its common shares and preferred shares in proportion to the total dividends paid to each class during or with respect to such year. The Acquiring Fund may provide notice to the Redemption and Paying Agent prior to the commencement of any Dividend Period for MTP Shares of the amount of a Taxable Allocation that will be made in respect of such MTP Shares for such Dividend Period (a **Notice of Taxable Allocation**). Such Notice of Taxable Allocation will state the amount of the dividends payable in respect of MTP Shares for such Dividend Period that will be treated as a Taxable Allocation and the amount of any Additional Amount Payments (as defined below) to be paid in respect of such Taxable Allocation. If the Acquiring Fund provides a Notice of Taxable Allocation with respect to dividends payable on MTP Shares for a Dividend Period, the Acquiring Fund will, in addition to and in conjunction with the payment of such dividends payable, make a supplemental distribution in respect of each MTP Share for such Dividend Period of an additional amount equal to the Additional Amount Payment payable in respect of the Taxable Allocation paid on such MTP Share for such Dividend Period. In general, the Acquiring Fund intends to provide Notices of Taxable Allocations as contemplated by this paragraph.

If the Acquiring Fund does not provide a Notice of Taxable Allocation as provided above with respect to a Taxable Allocation that is made in respect of MTP Shares, the Acquiring Fund may make one or more supplemental distributions on such MTP Shares equal to the amount of such Additional

Amount Payment. Any such supplemental distribution in respect of such shares may be declared and paid on any date, without reference to any regular Dividend Payment Date, to the holders of such preferred shares as their names appear on the registration books of the Acquiring Fund on such date, not exceeding 15 calendar days preceding the payment date of such supplemental distribution, as may be fixed by the Board.

If in connection with a redemption of MTP Shares, the Acquiring Fund makes a Taxable Allocation without having either given advance notice thereof or made one or more supplemental distributions as described above, the Acquiring Fund will direct the Redemption and Paying Agent to send an Additional Amount Payment in respect of such Taxable Allocation to each holder of such shares at such holder's address as the same appears or last appeared on the record books of the Acquiring Fund.

The Acquiring Fund will not be required to pay Additional Amount Payments with respect to any Acquiring Fund MTP Shares with respect to any net capital gains or other taxable income determined by the IRS to be allocable in a manner different from the manner used by the Acquiring Fund.

The term Taxable Allocation as used above means, with respect to MTP Shares, the allocation of any net capital gains or other income taxable for federal income tax purposes to a dividend paid in respect of such shares. The term Additional Amount Payment means a payment to a holder of MTP Shares of an amount which, when taken together with the aggregate amount of Taxable Allocations made to such holder to which such Additional Amount Payment relates, would cause such holder's dividends in dollars (after federal income tax consequences) from the aggregate of such Taxable Allocations and the related Additional Amount Payment to be equal to the dollar amount of the dividends that would have been received by such holder if the amount of such aggregate Taxable Allocations would have been excludable (for federal income tax purposes) from the gross income of such holder. Such Additional Amount Payment will be calculated (i) without consideration being given to the time value of money; (ii) assuming that no holder of Acquiring Fund MTP Shares is subject to the federal alternative minimum tax with respect to dividends received from the Acquiring Fund; and (iii) assuming that each Taxable Allocation and each Additional Amount Payment (except to the extent such Additional Amount Payment is designated as an exempt-interest dividend under Section 852(b)(5) of the Code) would be taxable in the hands of each holder of MTP Shares at the maximum marginal regular federal individual income tax rate applicable to ordinary income or net capital gains, as applicable, or the maximum marginal regular federal corporate income tax rate applicable to ordinary income or net capital gains, as applicable, whichever is greater, in effect at the time such Additional Amount Payment is paid.

Restrictions on Dividend, Redemption and Other Payments

No full dividends and distributions will be declared or paid on MTP Shares for any Dividend Period, or a part of a Dividend Period, unless the full cumulative dividends and distributions due through the most recent dividend payment dates for all outstanding shares of preferred shares (including shares of series of MTP Shares) have been, or contemporaneously are, declared and paid through the most recent dividend payment dates for each share of preferred shares. If full cumulative dividends and distributions due have not been declared and paid on all outstanding shares of preferred shares of any series, any dividends and distributions being declared and paid on MTP Shares will be declared and paid as nearly pro rata as possible in proportion to the respective amounts of dividends

and distributions accumulated but unpaid on the shares of each such series of preferred shares on the relevant dividend payment date. No holders of MTP Shares will be entitled to any dividends and distributions in excess of full cumulative dividends and distributions as provided in the MTP Statement.

For so long as any preferred shares are outstanding, the Acquiring Fund will not: (x) declare any dividend or other distribution (other than a dividend or distribution paid in common shares of the Acquiring Fund) in respect of the common shares of the Acquiring Fund, (y) call for redemption, redeem, purchase or otherwise acquire for consideration any such common shares, or (z) pay any proceeds of the liquidation of the Acquiring Fund in respect of such common shares, unless, in each case, (A) immediately thereafter, the Acquiring Fund shall be in compliance with the 200% asset coverage limitations set forth under the 1940 Act, (B) all cumulative dividends and distributions of shares of all series of MTP Shares of the Acquiring Fund and all other series of preferred shares ranking on a parity with the MTP Shares due on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition shall have been declared and paid (or shall have been declared and sufficient funds or Deposit Securities as permitted by the terms of such preferred shares for the payment thereof shall have been deposited irrevocably with the applicable paying agent) and (C) the Acquiring Fund shall have deposited Deposit Securities with the Redemption and Paying Agent in accordance with the requirements described herein with respect to outstanding MTP Shares of any series to be redeemed pursuant to a Term Redemption or Asset Coverage or Effective Leverage Mandatory Redemption (as those terms are defined below) resulting from the failure to comply with the Asset Coverage or Effective Leverage Ratio as described below for which a Notice of Redemption shall have been given or shall have been required to be given in accordance with the terms described herein on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition.

Except as required by law, the Acquiring Fund will not redeem any MTP Shares unless all accumulated and unpaid dividends and distributions on all outstanding MTP Shares and other series of preferred shares ranking on a parity with MTP Shares with respect to dividends and distributions for all applicable past dividend periods (whether or not earned or declared by the Acquiring Fund) (x) shall have been or are contemporaneously paid or (y) shall have been or are contemporaneously declared and Deposit Securities or sufficient funds (in accordance with the terms of such preferred shares) for the payment of such dividends and distributions shall have been or are contemporaneously deposited with the Redemption and Paying Agent or other applicable paying agent; provided, however, that the foregoing shall not prevent the purchase or acquisition of outstanding MTP Shares pursuant to an otherwise lawful purchase or exchange offer made on the same terms to holders of all outstanding MTP Shares and any other series of preferred shares for which all accumulated and unpaid dividends and distributions have not been paid.

Under the 1940 Act, the Acquiring Fund may not (i) declare any dividend with respect to any preferred shares if, at the time of such declaration (and after giving effect thereto), asset coverage with respect to any borrowings of the Acquiring Fund that are senior securities representing indebtedness (as defined in the 1940 Act), would be less than 200% (or such other percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing indebtedness of a closed-end investment company as a condition of declaring dividends on its preferred shares) or (ii) declare any other distribution on the preferred shares or purchase or redeem preferred shares if at the time of the declaration or redemption (and after giving effect thereto), asset coverage with respect to such borrowings that are senior securities representing indebtedness would be

less than 300% (or such higher percentage as may in the future be specified in or under the 1940 Act as the minimum asset coverage for senior securities representing indebtedness of a closed-end investment company as a condition of declaring distributions, purchases or redemptions of its shares). The MTP Statement provides for a higher Asset Coverage (as defined for purposes of the MTP Shares) of at least 225% instead of 200%. Senior securities representing indebtedness generally means any bond, debenture, note or similar obligation or instrument constituting a security (other than shares of capital stock) and evidencing indebtedness and could include the Acquiring Fund's obligations under any borrowings. For purposes of determining asset coverage for senior securities representing indebtedness in connection with the payment of dividends or other distributions on or purchases or redemptions of stock, the term senior security does not include any promissory note or other evidence of indebtedness issued in consideration of any loan, or any extension or renewal thereof, made by a bank or other person and privately arranged, and not intended to be publicly distributed. The term senior security also does not include any such promissory note or other evidence of indebtedness in any case where such a loan is for temporary purposes only and in an amount not exceeding 5% of the value of the total assets of the Acquiring Fund at the time when the loan is made; a loan is presumed under the 1940 Act to be for temporary purposes if it is repaid within 60 calendar days and is not extended or renewed; otherwise it is presumed not to be for temporary purposes. Pursuant to its fundamental policies, the Acquiring Fund may not issue debt securities that rank senior to preferred shares other than for temporary or emergency purposes. For purposes of determining whether the 200% and 300% statutory asset coverage requirements described above apply in connection with dividends or distributions on or purchases or redemptions of preferred shares, such asset coverages may be determined on the basis of values calculated as of a time within 48 hours (only including Business Days) next preceding the time of the applicable determination.

Asset Coverage

If the Acquiring Fund fails to maintain Asset Coverage of at least 225% as of the close of business on each Business Day, MTP Shares may become subject to mandatory redemption as provided below. Asset Coverage means asset coverage of a class of senior security which is a stock, as defined for purposes of Section 18(h) of the 1940 Act as in effect on the date of the MTP Statement, determined on the basis of values calculated as of a time within 48 hours (only including Business Days) next preceding the time of such determination. For purposes of this determination, no MTP Shares or other preferred shares shall be deemed to be outstanding for purposes of the computation of Asset Coverage if, prior to or concurrently with such determination, either (A) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such preferred shares) to pay the full redemption price for such preferred shares (or the portion thereof to be redeemed) shall have been deposited in trust with the paying agent for such preferred shares and the requisite notice of redemption for such preferred shares (or the portion thereof to be redeemed) shall have been given or (B) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such preferred shares) to pay the full redemption price for such preferred shares (or the portion thereof to be redeemed) shall have been segregated by the Acquiring Fund and its custodian from the assets of the Acquiring Fund in the same manner as described under Term Redemption Liquidity Account and Liquidity Requirement below with respect to the Liquidity Requirement applicable to the Acquiring Fund MTP Shares. In such event, the Deposit Securities or other sufficient funds so deposited or segregated shall not be included as assets of the Acquiring Fund for purposes of the computation of Asset Coverage.

Effective Leverage Ratio

For so long as MTP Shares of a series are outstanding, if the Acquiring Fund's Effective Leverage Ratio exceeds 50% as of the close of business on any Business Day, the MTP Shares may become subject to mandatory redemption as provided below. The Effective Leverage Ratio on any date means the quotient of the sum of (A) the aggregate liquidation preference of the Acquiring Fund's senior securities (as that term is defined in the 1940 Act) that are stock for purposes of the 1940 Act, excluding, without duplication, (1) any such senior securities for which the Acquiring Fund has issued a notice of redemption and either has delivered Deposit Securities or sufficient funds (in accordance with the terms of such senior securities) to the paying agent for such senior securities or otherwise has adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption and (2) any such senior securities that are to be redeemed with net proceeds from the sale of the MTP Shares, for which the Acquiring Fund has delivered Deposit Securities or sufficient funds to the paying agent for such Preferred Shares or otherwise has adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption; (B) the aggregate principal amount of the Acquiring Fund's senior securities representing indebtedness (as that term is defined in the 1940 Act); and (C) the aggregate principal amount of floating rate securities not owned by the Acquiring Fund that correspond to the associated inverse floating rate securities owned by the Acquiring Fund; divided by the sum of (A) the market value (determined in accordance with the Acquiring Fund's valuation procedures) of the Acquiring Fund's total assets (including amounts attributable to senior securities), less the amount of the Acquiring Fund's accrued liabilities (other than liabilities for the aggregate principal amount of senior securities representing indebtedness, including floating rate securities) and (B) the aggregate principal amount of floating rate securities not owned by the Acquiring Fund that correspond to the associated inverse floating rate securities owned by the Acquiring Fund.

Term Redemption

The Acquiring Fund shall redeem all the shares of each series of MTP Shares on the date specified for that series in the MTP Statement (the Term Redemption Date), at a redemption price equal to the Liquidation Preference per share plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared but excluding interest thereon) to (but excluding) the Term Redemption Date (the Term Redemption Price). The Term Redemption Date of each series of Acquiring Fund MTP Shares issued in connection with the Reorganizations will be November 1, 2015.

Mandatory Redemption for Asset Coverage and Effective Leverage Ratio

Asset Coverage. If the Acquiring Fund fails to have Asset Coverage of at least 225% as provided in the MTP Statement on any Business Day on which such Asset Coverage is required to be calculated and such failure is not cured as of the close of business on the date that is 30 calendar days following such Business Day (the Asset Coverage Cure Date), the Acquiring Fund shall, to the extent permitted by the 1940 Act and Massachusetts law, fix a redemption date and proceed to redeem the number of shares of preferred shares as described below in accordance with the terms of such preferred shares. In the case of the MTP Shares, the redemption price is equal to the Liquidation Preference per Share plus accumulated but unpaid dividends and distributions thereon (whether or not earned or declared but excluding interest thereon) to (but excluding) the date fixed for redemption by the Board (the Mandatory Redemption Price). The Acquiring Fund will redeem out of funds legally available the number of shares of preferred shares (which may include at the sole option of the

Acquiring Fund any number or proportion of MTP Shares) equal to the lesser of (i) the minimum number of shares of MTP Shares, the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, would result in the Acquiring Fund having Asset Coverage of at least 230% and (ii) the maximum number of shares of MTP Shares that can be redeemed out of funds expected to be legally available in accordance with the Acquiring Fund's Declaration of Trust and applicable law. Notwithstanding the foregoing sentence, in the event that shares of MTP Shares are redeemed pursuant to the MTP Statement, the Acquiring Fund may at its sole option, but is not required to, redeem a sufficient number of MTP Shares that, when aggregated with other shares of preferred shares redeemed by the Acquiring Fund, permits the Acquiring Fund to have with respect to the shares of preferred shares (including MTP Shares) remaining outstanding after such redemption, Asset Coverage on such Asset Coverage Cure Date of up to and including 285%. The Acquiring Fund will effect a redemption on the date fixed by the Acquiring Fund, which date will not be later than 30 calendar days after the Asset Coverage Cure Date, except that if the Acquiring Fund does not have funds legally available for the redemption of all of the required number of MTP Shares and other shares of preferred shares that have been designated to be redeemed or the Acquiring Fund otherwise is unable to effect such redemption on or prior to 30 calendar days after the Asset Coverage Cure Date, the Acquiring Fund will redeem those MTP Shares and other shares of preferred shares that it was unable to redeem on the earliest practicable date on which it is able to effect such redemption. If fewer than all of the outstanding MTP Shares are to be redeemed pursuant to the Asset Coverage mandatory redemption provisions above, the MTP Shares to be redeemed will be selected either (i) pro rata among MTP Shares, (ii) by lot or (iii) in such other manner as the Board of the Acquiring Fund may determine to be fair and equitable.

Effective Leverage Ratio. If the Acquiring Fund fails to comply with the Effective Leverage Ratio (as defined above) requirement as of the close of business on any Business Day on which such compliance is required to be determined and such failure is not cured as of the close of business on a date that is 30 calendar days following such Business Day (the Effective Leverage Ratio Cure Date), the Acquiring Fund will within 30 days following the Effective Leverage Ratio Cure Date cause the Effective Leverage Ratio not to exceed 50% by (A) engaging in transactions involving or relating to the floating rate securities not owned by the Acquiring Fund and/or the inverse floating rate securities owned by the Acquiring Fund, including the purchase, sale or retirement thereof, (B) to the extent permitted by the 1940 Act and Massachusetts law, redeeming in accordance with the Acquiring Fund's Declaration of Trust a sufficient number of shares of preferred shares, which at the Acquiring Fund's sole option may include any number or proportion of MTP Shares, or (C) engaging in any combination of the actions contemplated by clauses (A) and (B). Any MTP Shares so redeemed will be redeemed at a price per share equal to the Mandatory Redemption Price. On the Redemption Date for a redemption contemplated by clause (B) in the paragraph above, the Acquiring Fund will not redeem more than the maximum number of shares of preferred shares that can be redeemed out of funds expected to be legally available therefor in accordance with the Acquiring Fund's Declaration of Trust and applicable law. If the Acquiring Fund is unable to redeem the required number of MTP Shares and other shares of preferred shares that have been designated to be redeemed in accordance with clause (B) in the paragraph above due to the unavailability of legally available funds, the Acquiring Fund will redeem those MTP Shares and other shares of preferred shares that it was unable to redeem on the earliest practicable date on which it is able to effect such redemption.

If fewer than all of the outstanding MTP Shares of a series are to be redeemed pursuant to the mandatory redemption provisions above, the number of MTP Shares of such series to be redeemed will

be selected either (A) pro rata among the outstanding MTP Shares of such series, (B) by lot or (C) in such other manner as the Board of the Acquiring Fund may determine to be fair and equitable.

Optional Redemption. The period from the date of the original issue to the date that the MTP Shares are subject to an optional redemption, if any, is referred to herein as the Non-Call Period. On any Business Day following the expiration of the Non-Call Period for MTP Shares or on any Business Day during any period during which the MTP Shares are rated A+ or lower by S&P, A1 or lower by Moody's and A+ or lower by Fitch (a Rating Downgrade Period) for MTP Shares, including a Business Day during the Non-Call Period for such MTP Shares (any such Business Day, an Optional Redemption Date), the Acquiring Fund may redeem in whole or from time to time in part outstanding MTP Shares, at a redemption price equal to the Liquidation Preference, plus an amount equal to all unpaid dividends and distributions accumulated to (but excluding) the Optional Redemption Date (whether or not earned or declared by the Acquiring Fund, but excluding interest thereon), plus the applicable Optional Redemption Premium per share (the Optional Redemption Price). For the Acquiring Fund MTP Shares issued to Dividend Advantage and Dividend Advantage 2 in connection with the Reorganizations, the Non-Call Period is not applicable so that the terms of the Acquiring Fund MTP Shares are substantially identical, as of the time of the exchange, to the outstanding MTP Shares of Dividend Advantage and Dividend Advantage 2 for which they are exchanged. The Optional Redemption Premium with respect to each MTP Share will be an amount equal to 0.00% of the Liquidation Preference. If fewer than all of the outstanding shares of a series of MTP Shares are to be redeemed pursuant to the optional redemption provisions above, the shares of such series of MTP Shares to be redeemed will be selected either (i) pro rata among such series of MTP Shares, (ii) by lot or (iii) in such other manner as the Board of the Acquiring Fund may determine to be fair and equitable. Subject to the provisions of the MTP Statement and applicable law, the Acquiring Fund's Board will have the full power and authority to prescribe the terms and conditions upon which MTP Shares will be redeemed from time to time. The Acquiring Fund may not on any date deliver a notice of redemption to redeem any MTP Shares pursuant to the optional redemption provisions described above unless on such date the Acquiring Fund has available Deposit Securities for the Optional Redemption Date contemplated by such notice of redemption having a Market Value not less than the amount (including any applicable premium) due to holders of Acquiring Fund MTP Shares by reason of the redemption of such MTP Shares on such Optional Redemption Date.

Redemption Procedures. The Acquiring Fund will file a notice of its intention to redeem with the SEC so as to provide the 30 calendar day notice period contemplated by Rule 23c-2 under the 1940 Act, or such shorter notice period as may be permitted by the SEC or its staff.

If the Acquiring Fund shall determine or be required to redeem, in whole or in part, MTP Shares of a series, it will deliver a notice of redemption (a Notice of Redemption) by overnight delivery, by first-class mail, postage prepaid or by electronic means to the holders of such MTP Shares to be redeemed, or request the Redemption and Paying Agent, on behalf of the Acquiring Fund, to promptly do so by overnight delivery, by first-class mail or by electronic means. A Notice of Redemption will be provided not more than forty-five (45) calendar days prior to the date fixed for redemption in such Notice of Redemption (the Redemption Date). Each Notice of Redemption will state: (i) the Redemption Date; (ii) the series and number of MTP Shares to be redeemed; (iii) the CUSIP number(s) of such MTP Shares; (iv) the applicable Redemption Price of MTP Shares to be redeemed on a per share basis; (v) if applicable, the place or places where the certificate(s) for such MTP Shares (properly endorsed or assigned for transfer, if the Board of the Acquiring Fund will so

require and the Notice of Redemption states) are to be surrendered for payment of the Redemption Price; (vi) that dividends on MTP Shares to be redeemed will cease to accumulate from and after the Redemption Date; and (vii) the provisions of the MTP Statement under which such redemption is made. If fewer than all MTP Shares held by any holder are to be redeemed, the Notice of Redemption mailed to such holder shall also specify the number of MTP Shares to be redeemed from such holder or the method of determining such number. The Acquiring Fund may provide in any Notice of Redemption relating to a redemption contemplated to be effected pursuant to the MTP Statement that such redemption is subject to one or more conditions precedent and that the Acquiring Fund will not be required to effect such redemption unless each such condition has been satisfied. No defect in any Notice of Redemption or delivery thereof will affect the validity of redemption proceedings except as required by applicable law.

If the Acquiring Fund gives a Notice of Redemption, then at any time from and after the giving of such Notice of Redemption and prior to 12:00 noon, New York City time, on the Redemption Date (so long as any conditions precedent to such redemption have been met or waived by the Acquiring Fund), the Acquiring Fund will (i) deposit with the Redemption and Paying Agent Deposit Securities having an aggregate Market Value at the time of deposit no less than the redemption price of the Acquiring Fund MTP Shares to be redeemed on the Redemption Date and (ii) give the Redemption and Paying Agent irrevocable instructions and authority to pay the applicable redemption price to the holders of Acquiring Fund MTP Shares called for redemption on the Redemption Date. The Acquiring Fund may direct the Redemption and Paying Agent with respect to the investment of any Deposit Securities consisting of cash so deposited prior to the Redemption Date, provided that the proceeds of any such investment will be available at the opening of business on the Redemption Date as same-day funds. Notwithstanding the foregoing, if the Redemption Date is the Term Redemption Date, then such deposit of Deposit Securities (which may come in whole or in part from the Term Redemption Liquidity Account described below) will be made no later than 15 calendar days prior to the Term Redemption Date.

Upon the date of the deposit of Deposit Securities by the Acquiring Fund for purposes of redemption of MTP Shares, all rights of the holders of MTP Shares so called for redemption shall cease and terminate except the right of the holders thereof to receive the Term Redemption Price, Mandatory Redemption Price or Optional Redemption Price thereof, as applicable (any of the foregoing referred to herein as the Redemption Price), and such MTP Shares shall no longer be deemed outstanding for any purpose whatsoever (other than the transfer thereof prior to the applicable Redemption Date and other than the accumulation of dividends thereon in accordance with the terms of the MTP Shares up to (but excluding) the applicable Redemption Date). The Acquiring Fund will be entitled to receive, promptly after the Redemption Date, any Deposit Securities in excess of the aggregate Redemption Price of MTP Shares called for redemption on the Redemption Date. Any Deposit Securities so deposited that are unclaimed at the end of 90 calendar days from the Redemption Date will, to the extent permitted by law, be repaid to the Acquiring Fund, after which the holders of MTP Shares so called for redemption shall look only to the Acquiring Fund for payment of the Redemption Price. The Acquiring Fund will be entitled to receive, from time to time after the Redemption Date, any interest on the Deposit Securities so deposited.

On or after a Redemption Date, each holder of MTP Shares in certificated form (if any) that are subject to redemption will surrender the certificate(s) evidencing such Acquiring Fund MTP Shares to the Acquiring Fund at the place designated in the Notice of Redemption and will then be entitled to

receive the Redemption Price, without interest, and in the case of a redemption of fewer than all MTP Shares represented by such certificate(s), a new certificate representing MTP Shares that were not redeemed.

Notwithstanding the other redemption provisions described herein, except as otherwise required by law, the Acquiring Fund will not redeem any MTP Shares unless all accumulated and unpaid dividends and distributions on all outstanding MTP Shares and shares of other series of preferred shares ranking on a parity with the MTP Shares with respect to dividends and distributions for all applicable past dividend periods (whether or not earned or declared by the Acquiring Fund) (x) shall have been or are contemporaneously paid or (y) shall have been or are contemporaneously declared and Deposit Securities or sufficient funds (in accordance with the terms of such preferred shares) for the payment of such dividends and distributions shall have been or are contemporaneously deposited with the Redemption and Paying Agent as set forth herein, provided that the Acquiring Fund will not be prevented from the purchase or acquisition of outstanding MTP Shares pursuant to an otherwise lawful purchase or exchange offer made on the same terms to holders of all outstanding MTP Shares and any other series of preferred shares for which all accumulated and unpaid dividends and distributions have not been paid.

If any redemption for which a Notice of Redemption has been provided is not made by reason of the absence of legally available funds of the Acquiring Fund in accordance with the Acquiring Fund's Declaration of Trust and applicable law, such redemption shall be made as soon as practicable to the extent such funds become available. No Redemption Default will be deemed to have occurred if the Acquiring Fund has failed to deposit in trust with the Redemption and Paying Agent the applicable Redemption Price with respect to any shares where (1) the Notice of Redemption relating to such redemption provided that such redemption was subject to one or more conditions precedent and (2) any such condition precedent has not been satisfied at the time or times and in the manner specified in such Notice of Redemption. Notwithstanding the fact that a Notice of Redemption has been provided with respect to any preferred shares, dividends may be declared and paid on such preferred shares in accordance with their terms if Deposit Securities for the payment of the Redemption Price of such preferred shares shall not have been deposited in trust with the Redemption and Paying Agent for that purpose.

The Acquiring Fund may, in its sole discretion and without a shareholder vote, modify the redemption procedures with respect to notification of redemption for the MTP Shares, provided that such modification does not materially and adversely affect the holders of MTP Shares or cause the Acquiring Fund to violate any applicable law, rule or regulation.

Term Redemption Liquidity Account and Liquidity Requirement

On or prior to the Liquidity Account Initial Date for each series of MTP Shares, the Acquiring Fund will cause its custodian to segregate, by means of appropriate identification on its books and records or otherwise in accordance with its custodian's normal procedures, from the other assets of the Acquiring Fund (the Term Redemption Liquidity Account) Deposit Securities or any other security or investment owned by the Acquiring Fund that is rated not less than A3 by Moody's, A- by S&P, A by Fitch or an equivalent rating by any other NRSRO (each, a Liquidity Account Investment and collectively, the Liquidity Account Investments) with a Market Value (as defined in the MTP Statement) equal to at least 110% of the Term Redemption Amount (as defined below) with respect to such MTP Shares. The Term Redemption Amount for MTP Shares is equal to the Term Redemption

Price to be paid on the Term Redemption Date, based on the number of MTP Shares then outstanding, assuming for this purpose that the Dividend Rate in effect at the Liquidity Account Initial Date will be the Dividend Rate in effect until the Term Redemption Date. The Liquidity Account Initial Date for the Acquiring Fund MTP Shares issued to Dividend Advantage and Dividend Advantage 2 pursuant to the Agreement will be May 1, 2015.

If, on any date after the Liquidity Account Initial Date, the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity Account for MTP Shares as of the close of business on any Business Day is less than 110% of the Term Redemption Amount, then the Acquiring Fund will cause the custodian and the investment adviser to take all such necessary actions, including segregating assets of the Acquiring Fund as Liquidity Account Investments, so that the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity Account is at least equal to 110% of the Term Redemption Amount not later than the close of business on the next succeeding Business Day. With respect to assets of the Acquiring Fund segregated as Liquidity Account Investments with respect to the MTP Shares, the Adviser and/or the Sub-Adviser, on behalf of the Acquiring Fund, will be entitled to instruct the custodian on any date to release any Liquidity Account Investments from such segregation and to substitute therefor other Liquidity Account Investments not so segregated, so long as (i) the assets of the Acquiring Fund segregated as Liquidity Account Investments at the close of business on such date have a Market Value (as defined in the MTP Statement) equal to 110% of the Term Redemption Amount and (ii) the assets of the Acquiring Fund segregated as Deposit Securities at the close of business on such date have a Market Value equal to the Liquidity Requirement (if any) (as set forth below) that is applicable to such date. The Acquiring Fund will cause the custodian not to permit any lien, security interest or encumbrance to be created or permitted to exist on or in respect of any Liquidity Account Investments included in the Term Redemption Liquidity Account, other than liens, security interests or encumbrances arising by operation of law and any lien of the custodian with respect to the payment of its fees or repayment for its advances. The Market Value of the Deposit Securities held in the Term Redemption Liquidity Account for the MTP Shares, from and after the 15th day of the calendar month that is the number of months preceding the month of the Term Redemption Date specified in the table set forth below, will not be less than the percentage of the Term Redemption Amount for the Acquiring Fund MTP Shares set forth below opposite such number of months (the Liquidity Requirement), but in all cases subject to the cure provisions described below:

| Number of Months Preceding | Value of Deposit Securities as Percentage of Term Redemption Amount |
|-------------------------------|--|
| 5 | 20% |
| 4 | 40% |
| 3 | 60% |
| 2 | 80% |
| 1 | 100% |

If the aggregate Market Value of the Deposit Securities included in the Term Redemption Liquidity Account for the MTP Shares as of the close of business on any Business Day is less than the Liquidity Requirement for such Business Day, then the Acquiring Fund will cause the segregation of additional or substitute Deposit Securities in respect of the Term Redemption Liquidity Account, so that the aggregate Market Value of the Deposit Securities included in the Term Redemption Liquidity Account is at least equal to the Liquidity Requirement not later than the close of business on the next

succeeding Business Day. The Deposit Securities included in the Term Redemption Liquidity Account may be applied by the Acquiring Fund, in its discretion, towards payment of the Term Redemption Price. Upon the deposit by the Acquiring Fund with the Redemption and Paying Agent of Deposit Securities having an initial combined Market Value sufficient to effect the redemption of the MTP Shares on the Term Redemption Date, the requirement of the Acquiring Fund to maintain the Term Redemption Liquidity Account as described above will lapse and be of no further force and effect.

Liquidation Rights

In the event of any liquidation, dissolution or winding up of the affairs of the Acquiring Fund, whether voluntary or involuntary, the holders of MTP Shares will be entitled to receive out of the assets of the Acquiring Fund available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the common stock, a liquidation distribution equal to the Liquidation Preference of \$10 per share, plus an amount equal to all unpaid dividends and distributions accumulated to (but excluding) the date fixed for such distribution or payment (whether or not earned or declared by the Acquiring Fund, but excluding interest thereon), and such holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up. If, upon any liquidation, dissolution or winding up of the affairs of the Acquiring Fund, whether voluntary or involuntary, the assets of the Acquiring Fund available for distribution among the holders of all preferred shares, and any other outstanding shares of MTP Shares, shall be insufficient to permit the payment in full to such holders of MTP Shares of the Liquidation Preference plus accumulated and unpaid dividends and distributions and the amounts due upon liquidation with respect to such other shares of preferred shares, then the available assets shall be distributed among the holders of such MTP Shares and such other series of preferred shares ratably in proportion to the respective preferential liquidation amounts to which they are entitled. In connection with any liquidation, dissolution or winding up of the affairs of the Acquiring Fund whether voluntary or involuntary, unless and until the Liquidation Preference on each outstanding preferred share plus accumulated and unpaid dividends and distributions has been paid in full to the holders of preferred shares, no dividends, distributions or other payments will be made on, and no redemption, repurchase or other acquisition by the Acquiring Fund will be made by the Acquiring Fund in respect of, the common shares of the Acquiring Fund. Neither the sale of all or substantially all of the property or business of the Acquiring Fund, nor the merger, consolidation or reorganization of the Acquiring Fund into or with any other business or statutory trust, corporation or other entity, nor the merger, consolidation or reorganization of any other business or statutory trust, corporation or other entity into or with the Acquiring Fund will be a dissolution, liquidation or winding up, whether voluntary or involuntary, for purposes of the provisions relating to liquidation set forth in the MTP Statement.

Voting Rights

Except as otherwise provided in the Acquiring Fund's Declaration of Trust, the MTP Statement, or as otherwise required by applicable law, each holder of MTP Shares will be entitled to one vote for each MTP Share held by such holder on each matter submitted to a vote of shareholders of the Acquiring Fund and the holders of outstanding preferred shares, including the MTP Shares, will vote with holders of common shares of the Acquiring Fund as a single class. Under applicable rules of the NYSE, the Acquiring Fund is currently required to hold annual meetings of shareholders. In addition, the holders of outstanding preferred shares, including the MTP Shares, will be entitled, as a class, to the exclusion of the holders of all other securities and classes of common shares of the

Acquiring Fund, to elect two trustees of the Acquiring Fund at all times. The holders of outstanding common shares and preferred shares, including MTP Shares, voting as a single class, will elect the balance of the trustees of the Acquiring Fund.

Notwithstanding the foregoing, if (i) at the close of business on any dividend payment date for dividends on any outstanding preferred shares, including any outstanding MTP Shares, accumulated dividends (whether or not earned or declared) on the shares of preferred shares, including the MTP Shares, equal to at least two full years' dividends shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with the Redemption and Paying Agent or other applicable paying agent for the payment of such accumulated dividends; or (ii) at any time holders of any preferred shares are entitled under the 1940 Act to elect a majority of the trustees of the Acquiring Fund (a period when either of the foregoing conditions exists, a "Voting Period"), then the number of members constituting the Board of the Acquiring Fund will automatically be increased by the smallest number that, when added to the two trustees elected exclusively by the holders of preferred shares, including the MTP Shares, as described above, would constitute a majority of the Board as so increased by such smallest number; and the holders of the preferred shares, including the MTP Shares, will be entitled as a class on a one-vote-per-share basis, to elect such additional trustees. The terms of office of the persons who are trustees at the time of that election will not be affected by the election of the additional trustees. If the Acquiring Fund thereafter shall pay, or declare and set apart for payment, in full all dividends payable on all outstanding preferred shares, including MTP Shares, for all past dividend periods, or the Voting Period is otherwise terminated, (i) the voting rights stated above shall cease, subject always, however, to the revesting of such voting rights in the holders of preferred shares upon the further occurrence of any of the events described herein, and (ii) the terms of office of all of the additional trustees so elected will terminate automatically. Any preferred shares, including MTP Shares, issued after the date hereof will vote with MTP Shares as a single class on the matters described above, and the issuance of any other preferred shares, including MTP Shares, by the Acquiring Fund may reduce the voting power of the holders of MTP Shares.

As soon as practicable after the accrual of any right of the holders of preferred shares to elect additional trustees as described above, the Acquiring Fund will call a special meeting of such holders and notify the Redemption and Paying Agent and/or such other person as is specified in the terms of such preferred shares to receive notice, (i) by mailing or delivery by electronic means or (ii) in such other manner and by such other means as are specified in the terms of such preferred shares, a notice of such special meeting to such holders, such meeting to be held not less than 10 nor more than 30 calendar days after the date of the delivery by electronic means or mailing of such notice. If the Acquiring Fund fails to call such a special meeting, it may be called at the expense of the Acquiring Fund by any such holder on like notice. The record date for determining the holders of preferred shares entitled to notice of and to vote at such special meeting shall be the close of business on the fifth Business Day preceding the calendar day on which such notice is mailed. At any such special meeting and at each meeting of holders of preferred shares held during a Voting Period at which trustees are to be elected, such holders, voting as a class (to the exclusion of the holders of all other securities and classes of capital stock of the Acquiring Fund), will be entitled to elect the number of additional trustees prescribed above on a one-vote-per-share basis.

Except as otherwise permitted by the terms of the MTP Statement, so long as any MTP Shares are outstanding, the Acquiring Fund will not, without the affirmative vote or consent of the holders of at least a majority of MTP Shares of all series outstanding at the time, voting as a separate class, amend, alter or repeal the provisions of the Acquiring Fund's Declaration of Trust or the MTP

Statement, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power of the MTP Shares or the holders thereof; provided, however, that (i) a change in the capitalization of the Acquiring Fund as described under the heading

Issuance of Additional Preferred Shares will not be considered to materially and adversely affect the rights and preferences of MTP Shares, and (ii) a division of an MTP Share will be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the holders of MTP Shares. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of an MTP Share of such series or the holder thereof unless such matter (i) alters or abolishes any preferential right of such MTP Share, or (ii) creates, alters or abolishes any right in respect of redemption of such MTP Share (other than as a result of a division of an MTP Share). So long as any MTP Shares are outstanding, the Acquiring Fund will not, without the affirmative vote or consent of at least $66\frac{2}{3}\%$ of the holders of MTP Shares outstanding at the time, voting as a separate class, file a voluntary application for relief under federal bankruptcy law or any similar application under state law for so long as the Acquiring Fund is solvent and does not foresee becoming insolvent.

Except as otherwise permitted by the terms of the MTP Statement, so long as any MTP Shares of a series are outstanding, the Acquiring Fund will not, without the affirmative vote or consent of the holders of at least a majority of the MTP Shares of such series outstanding at the time, voting as a separate class, amend, alter or repeal the provisions of the appendix to the MTP Statement relating to the MTP Shares of such series, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power set forth in such appendix with respect to such MTP Shares or the holders thereof; provided, however, that (i) a change in the capitalization of the Acquiring Fund as described under the heading Issuance of Additional Preferred Shares will not be considered to materially and adversely affect the rights and preferences of MTP Shares of such series, and (ii) a division of a preferred share will be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the holders of the MTP Shares of such series; and provided, further, that no amendment, alteration or repeal of the obligations of the Acquiring Fund to (x) pay the Term Redemption Price on the Term Redemption Date for the MTP Shares of such series or (y) accumulate dividends at the Dividend Rate for the MTP Shares of such series will be effected without, in each case, the prior unanimous vote or consent of the holders of the MTP Shares of such series. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of an MTP Share of a series or the holder thereof unless such matter (i) alters or abolishes any preferential right of such MTP Share, or (ii) creates, alters or abolishes any right in respect of redemption of such MTP Share.

Under the terms of the MTP Statement, unless a higher percentage is provided for in the Acquiring Fund's Declaration of Trust, the affirmative vote of the holders of at least a majority of the outstanding shares of Preferred Shares, including the MTP Shares outstanding at the time, voting as a separate class, will be required to (i) approve any conversion of the Acquiring Fund from a closed-end to an open-end investment company, (ii) approve any plan of reorganization (as such term is defined in Section 2(a)(33) of the 1940 Act) adversely affecting such shares of preferred shares or (iii) approve any other action requiring a vote of security holders of the Acquiring Fund under Section 13(a) of the 1940 Act. For purposes of the foregoing, the vote of a majority of the outstanding shares of Preferred Shares means the vote at an annual or special meeting duly called of (i) 67% or more of such shares present at a meeting, if the holders of more than 50% of such shares are present or represented by proxy at such meeting, or (ii) more than 50% of such shares, whichever is less.

For purposes of determining any rights of the holders of MTP Shares to vote on any matter, whether such right is created by the MTP Statement, by the provisions of the Acquiring Fund's Declaration of Trust, by statute or otherwise, no holder of MTP Shares will be entitled to vote any MTP Shares, and no MTP Shares will be deemed to be outstanding for the purpose of voting or determining the number of shares required to constitute a quorum if, prior to or concurrently with the time of determination of shares entitled to vote or the time of the actual vote on the matter, as the case may be, the requisite Notice of Redemption with respect to such MTP Shares will have been given in accordance with the MTP Statement, and the Redemption Price for the redemption of such MTP Shares will have been irrevocably deposited with the Redemption and Paying Agent for that purpose. No MTP Shares held by the Acquiring Fund will have any voting rights or be deemed to be outstanding for voting or for calculating the voting percentage required on any other matter or other purposes. Notwithstanding anything herein to the contrary, the Rating Agency Guidelines discussed below, as they may be amended from time to time by the respective rating agency, may be amended by the respective rating agency without the vote, consent or approval of the Acquiring Fund, the Board of the Acquiring Fund and any holder of MTP Shares, or any other shareholder of the Acquiring Fund. Unless otherwise required by law or the Acquiring Fund's Declaration of Trust, holders of MTP Shares will not have any relative rights or preferences or other special rights with respect to voting other than those specifically set forth in the Voting Rights section of the MTP Statement. The holders of MTP Shares will have no rights to cumulative voting. In the event that the Acquiring Fund fails to declare or pay any dividends on MTP Shares, the exclusive remedy of the holders will be the right to vote for additional trustees as discussed above; provided that the foregoing does not affect the obligation of the Acquiring Fund to accumulate and, if permitted by applicable law and the MTP Statement, pay dividends at the Default Rate as discussed above.

Rating Agencies

The Acquiring Fund will use commercially reasonable efforts to cause at least one Rating Agency to issue a credit rating with respect to each series of MTP Shares for so long as each series of MTP Shares is outstanding (which credit rating may consist of a credit rating on the MTP Shares generally or the preferred shares generally). Rating Agency means any of Moody's, S&P or Fitch, as designated by the Board from time to time to be a Rating Agency for purposes of the MTP Statement. The Board has initially designated Moody's, S&P and Fitch to be Rating Agencies. The Acquiring Fund will use commercially reasonable efforts to comply with any applicable Rating Agency Guidelines. Rating Agency Guidelines are guidelines of any Rating Agency, as they may be amended or modified from time to time, compliance with which is required to cause such Rating Agency to continue to issue a rating with respect to a series of MTP Shares for so long as such series is outstanding. The Board may elect to terminate the designation of any Rating Agency previously designated by the Board to act as a Rating Agency for purposes of the MTP Statement (provided that at least one Rating Agency continues to maintain a rating with respect to the MTP Shares), and may elect to replace any Rating Agency previously designated as a Rating Agency by the Board with any other Rating Agency not so designated at such time, if such replacement Rating Agency has at the time of such replacement (i) issued a rating for MTP Shares of such series and (ii) entered into an agreement with the Acquiring Fund to continue to issue such rating subject to the Rating Agency's customary conditions. A copy of the current Rating Agency Guidelines will be provided to any holder of MTP Shares promptly upon request therefor made by such holder to the Acquiring Fund by writing the Acquiring Fund at 333 West Wacker Dr., Chicago, Illinois 60606.

Issuance of Additional Preferred Shares

So long as any MTP Shares are outstanding, the Acquiring Fund may, without the vote or consent of the holders thereof, authorize, establish and create and issue and sell shares of one or more series of a class of senior securities of the Acquiring Fund representing stock under Section 18 of the 1940 Act, ranking on a parity with MTP Shares as to payment of dividends and distribution of assets upon dissolution, liquidation or the winding up of the affairs of the Acquiring Fund, including additional series of MTP Shares, and authorize, issue and sell additional shares of any such series of preferred shares then outstanding or so established and created, including additional MTP Shares, in each case in accordance with applicable law, provided that the Acquiring Fund will, immediately after giving effect to the issuance of such additional preferred shares and to its receipt and application of the proceeds thereof, including to the redemption of preferred shares with such proceeds, have Asset Coverage of at least 225%. The Acquiring Fund's agreements with the liquidity provider for the VRDP Shares require the Acquiring Fund to obtain the prior consent of the liquidity provider to any such issuance of additional preferred shares.

Actions on Other than Business Days

Unless otherwise provided herein or in the MTP Statement, if the date for making any payment, performing any act or exercising any right is not a Business Day, such payment will be made, act performed or right exercised on the next succeeding Business Day, with the same force and effect as if made or done on the nominal date provided therefor, and, with respect to any payment so made, no dividends, interest or other amount will accrue for the period between such nominal date and the date of payment.

Modification

The Board, without the vote of the holders of MTP Shares, may interpret, supplement or amend the provisions of the MTP Statement or any appendix thereto to supply any omission, resolve any inconsistency or ambiguity or to cure, correct or supplement any defective or inconsistent provision, including any provision that becomes defective after the date hereof because of impossibility of performance or any provision that is inconsistent with any provision of any other preferred shares of the Acquiring Fund.

Summary Description of Massachusetts Business Trusts

The following description is based on relevant provisions of applicable Massachusetts law and each Fund's operative documents. This summary does not purport to be complete and we refer you to applicable Massachusetts law and each Fund's operative documents.

General. Each Fund is a Massachusetts business trust. A fund organized as a Massachusetts business trust is governed by the trust's declaration of trust or similar instrument.

Massachusetts law allows the trustees of a business trust to set the terms of a fund's governance in its declaration. All power and authority to manage the fund and its affairs generally reside with the trustees, and shareholder voting and other rights are limited to those provided to the shareholders in the declaration. Under each Fund's declaration of trust, any determination as to what is in the interests of the Fund made by the trustees in good faith is conclusive, and in construing the provisions of the declaration of trust, there is a presumption in favor of a grant of power to the trustees. Further, each

declaration of trust provides that certain determinations made in good faith by the trustees are binding upon the Fund and all shareholders, and shares are issued and sold on the condition and understanding, evidenced by the purchase of shares, that any and all such determinations shall be so binding.

Because Massachusetts law governing business trusts provides more flexibility compared to typical state corporate statutes, the Massachusetts business trust is a common form of organization for closed-end funds. However, some consider it less desirable than other entities because it relies on the terms of the applicable declaration and judicial interpretations rather than statutory provisions for substantive issues, such as the personal liability of shareholders and trustees, and does not provide the level of certitude that corporate laws like those of Minnesota, or newer statutory trust laws, such as those of Delaware, provide.

Shareholders of a Massachusetts business trust are not afforded the statutory limitation of personal liability generally afforded to shareholders of a corporation from the trust's liabilities. Instead, the declaration of trust of a fund organized as a Massachusetts business trust typically provides that a shareholder will not be personally liable, and further provides for indemnification to the extent that a shareholder is found personally liable, for the fund's acts or obligations. The declaration of trust of each Fund contains such provisions.

Similarly, the trustees of a Massachusetts business trust are not afforded statutory protection from personal liability for the obligations of the trust. Courts in Massachusetts have, however, recognized limitations of a trustee's personal liability in contract actions for the obligations of a trust contained in the trust's declaration, and declarations may also provide that trustees may be indemnified out of the assets of the trust to the extent held personally liable. The declaration of trust of each Fund contains such provisions.

Shareholder Voting. The declaration of trust of each Fund requires a shareholder vote on a number of matters, including certain amendments to the declaration of trust, the election of trustees, the merger or reorganization of the Fund (under certain circumstances) or sales of assets in certain circumstances and matters required to be voted by the 1940 Act.

Meetings of shareholders may be called by the trustees and by the written request of shareholders owning at least 10% of the outstanding shares entitled to vote. The by-laws of each Fund provide that the holders of a majority of the voting power of the shares of beneficial interest of the Fund entitled to vote at a meeting shall constitute a quorum for the transaction of business. The declaration of trust of each Fund provides that the affirmative vote of the holders of a majority of the shares present in person or by proxy and entitled to vote at a meeting of shareholders at which a quorum is present is required to approve a matter, except in the case of the election of trustees, which only requires a plurality vote, and for events to which other voting provisions apply under the 1940 Act or the declaration of trust and by-laws, such as the super-majority voting provisions with respect to a merger, consolidation or dissolution of, or sale of substantially all of the assets by, the Fund, or its conversion to an open-end investment company in certain circumstances under the terms of the declaration of trust.

Election and Removal of Trustees. The declaration of trust of each Fund provides that the trustees determine the size of the Board, subject to a minimum and a maximum number. Subject to the provisions of the 1940 Act, the declaration of trust also provides that vacancies on the Board may be

filled by the remaining trustees. A trustee may only be removed for cause by action of at least two-thirds of the remaining trustees or by action of at least two-thirds of the outstanding shares of the class or classes that elected such trustee.

Issuance of Shares. Under the declaration of trust of each Fund, the trustees are permitted to issue an unlimited number of shares for such consideration and on such terms as the trustees may determine. Shareholders are not entitled to any preemptive rights or other rights to subscribe to additional shares, except as the trustees may determine. Shares are subject to such other preferences, conversion, exchange or similar rights, as the trustees may determine.

Classes. The declaration of trust of each Fund gives broad authority to the trustees to establish classes or series in addition to those currently established and to determine the rights and preferences, conversion rights, voting powers, restrictions, limitations, qualifications or terms or conditions of redemptions of the shares of the classes or series. The trustees are also authorized to terminate a class or series without a vote of shareholders under certain circumstances.

Amendments to Declaration of Trust. Amendments to the declaration of trust generally require the consent of shareholders owning more than 50% of shares entitled to vote, voting in the aggregate. Certain amendments may be made by the trustees without a shareholder vote, and any amendment to the voting requirements contained in the declaration of trust requires the approval of two-thirds of the outstanding common shares and preferred shares, voting in the aggregate and not by class except to the extent that applicable law or the declaration of trust may require voting by class.

Shareholder, Trustee and Officer Liability. The declaration of trust of each Fund provides that shareholders have no personal liability for the acts or obligations of the Fund and require the Fund to indemnify a shareholder from any loss or expense arising solely by reason of his or her being or having been a shareholder and not because of his or her acts or omissions or for some other reasons. In addition, the Fund will assume the defense of any claim against a shareholder for personal liability at the request of the shareholder. Similarly, the declaration of trust provides that any person who is a trustee, officer or employee of the Fund is not personally liable to any person in connection with the affairs of the Fund, other than to the Fund and its shareholders arising from bad faith, willful misfeasance, gross negligence or reckless disregard for his or her duty. The declaration of trust further provides for indemnification of such persons and advancement of the expenses of defending any such actions for which indemnification might be sought. The declaration of trust also provides that the trustees may rely in good faith on expert advice.

Derivative Actions. Massachusetts has what is commonly referred to as a universal demand statute, which requires that a shareholder make a written demand on the board, requesting the board members to bring an action, before the shareholder is entitled to bring or maintain a court action or claim on behalf of the entity.

D. ADDITIONAL INFORMATION ABOUT THE INVESTMENT POLICIES

Comparison of the Investment Objectives and Policies of the Acquiring Fund and the Target Funds

General

The Funds have similar investment objectives and policies. The Acquiring Fund's primary investment objective is to provide, through investment in a professionally managed portfolio of investment-grade tax-exempt municipal securities, current income exempt from both regular federal and Pennsylvania income taxes, consistent with the Fund's investment policies. The secondary investment objective of the Acquiring Fund is the enhancement of portfolio value relative to the Pennsylvania municipal bond market through investments in tax-exempt Pennsylvania municipal securities that, in the opinion of the Adviser, are underrated or undervalued or that represent municipal markets that are undervalued. With the exception of the reference to investment-grade in the Acquiring Fund's primary investment objective, the investment objectives of Premium Income substantially are the same as those of the Acquiring Fund. (As described more fully below, it is a non-fundamental policy of each Fund to invest, under normal circumstances, at least 80% of its managed assets in investment-grade securities.) Although the investment objectives of Dividend Advantage and Dividend Advantage 2 are not designated as primary and secondary components, they are otherwise consistent with those of the Acquiring Fund and Premium Income. For each of Dividend Advantage and Dividend Advantage 2, the investment objectives are: (i) to provide current income exempt from regular federal and Pennsylvania income tax, and; (ii) to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued. Under normal circumstances, each Fund invests at least 80% of its Managed Assets in municipal securities and other related investments that pay interest exempt from regular federal and Pennsylvania income taxes.

Each Fund's investment objectives are fundamental policies of the Fund, and may not be changed without the approval of the holders of a majority of the outstanding common shares and preferred shares voting as a single class, and of holders of a majority of the outstanding preferred shares voting separately as a single class.

Investment Policies

The Acquiring Fund and each Target Fund have similar investment policies. It is a fundamental policy of each Fund that, under normal circumstances, the Fund will invest at least 80% of its Managed Assets in municipal securities and other related investments that pay interest exempt from regular federal and Pennsylvania income taxes.

As a non-fundamental policy, under normal circumstances, each Fund will invest at least 80% of its Managed Assets in investment-grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one NRSRO or are unrated but judged to be of comparable quality by the Sub-Adviser. Also, as a non-fundamental policy, each Fund may invest up to 20% of its Managed Assets in municipal securities that, at the time of investment, are rated below investment grade or are unrated but judged to be of comparable quality by the Sub-Adviser.

Additionally, as a non-fundamental policy, no more than 10% of each Fund's Managed Assets may be invested in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by the Sub-Adviser.

Securities of below investment grade quality (Ba/BB or below) are commonly referred to as junk bonds. Issuers of securities rated Ba/BB or B are regarded as having current capacity to make principal and interest payments but are subject to business, financial or economic conditions which could adversely affect such payment capacity. Municipal securities rated below investment grade quality are obligations of issuers that are considered predominately speculative with respect to the issuer's capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of issuer default and bankruptcy and increased market price volatility. Municipal securities rated below investment grade tend to be less marketable than higher-quality securities because the market for them is less broad. The market for unrated municipal securities is even narrower. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and a Fund may have greater difficulty selling its portfolio securities. A Fund will be more dependent on the Sub-Adviser's research and analysis when investing in these securities. Municipal securities rated Baa or BBB are considered investment grade securities; municipal securities rated Baa are considered medium grade obligations which lack outstanding investment characteristics and have speculative characteristics, while municipal securities rated BBB are regarded as having adequate capacity to pay principal and interest. Municipal securities rated AAA in which a Fund may invest may have been so rated on the basis of the existence of insurance guaranteeing the timely payment, when due, of all principal and interest.

The foregoing credit quality policies apply only at the time a security is purchased, and a Fund is not required to dispose of a security in the event that a rating agency downgrades its assessment of the credit characteristics of a particular issuer or that valuation changes of various bonds cause a Fund's portfolio to fail to satisfy those policies. In determining whether to retain or sell such a security, the Adviser and/or the Sub-Adviser may consider such factors as the Adviser's and/or the Sub-Adviser's assessment of the credit quality of the issuer of such security, the price at which such security could be sold and the rating, if any, assigned to such security by other rating agencies.

Each Fund will primarily invest in municipal securities with long-term maturities in order to maintain a weighted average maturity of 15-30 years, but the average weighted maturity of obligations held by a Fund may be shortened, depending on market conditions. As a result, a Fund's portfolio at any given time may include both long-term and intermediate-term municipal securities. Moreover, during temporary defensive periods (e.g., times when, in the Adviser's and/or the Sub-Adviser's opinion, temporary imbalances of supply and demand or other temporary dislocations in the tax-exempt bond market adversely affect the price at which long-term or intermediate-term municipal securities are available), and in order to keep a Fund's cash fully invested, a Fund may invest any percentage of its net assets in short-term investments including high quality, short-term debt securities that may be either tax-exempt or taxable and up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds) that invest primarily in municipal securities of the types in which a Fund may invest directly. A Fund will generally select obligations which may not be redeemed at the option of the issuer for approximately seven to nine years.

No Fund has established a limit on the percentage of its portfolio that may be invested in municipal bonds subject to the alternative minimum tax provisions of federal tax law, and each Fund expects that a substantial portion of the income it produces may be includable in alternative minimum taxable income.

Each Fund may purchase municipal securities that are additionally secured by insurance, bank credit agreements or escrow accounts. The credit quality of companies that provide such credit enhancements will affect the value of those securities. Although the insurance feature may reduce certain financial risks, the premiums for insurance and the higher market price paid for insured obligations may reduce a Fund's income. A municipal security with an insurance feature will be deemed to have the rating of its insurer. The insurance feature does not guarantee the market value of the insured obligations, and the effectiveness and value of the insurance itself is dependent on the continued creditworthiness of the insurer.

Obligations of issuers of municipal securities are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, such as the Bankruptcy Reform Act of 1978. In addition, the obligations of such issuers may become subject to the laws enacted in the future by Congress, state legislatures or referenda extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations or upon municipalities to levy taxes. There is also the possibility that, as a result of legislation or other conditions, the power or ability of any issuer to pay, when due, the principal of and interest on its municipal securities may be materially affected.

Each Fund may enter into certain derivative instruments in pursuit of its investment objectives, including to seek to enhance return, to hedge some of the risk of the Fund's investments in municipal securities or a substitute for a position in the underlying asset. 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. A 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 futures contracts or related options.

Each Fund may invest in inverse floating rate securities. With respect to Dividend Advantage and Dividend Advantage 2, such investments may not exceed 15% of the Fund's Managed Assets. Inverse floating rate securities represent a leveraged investment in the underlying municipal bond deposited. Inverse floating rate securities offer the opportunity for higher income than the underlying bond, but will subject the Fund to the risk of lower or even no income if short-term interest rates rise sufficiently. By investing in an inverse floating rate security rather than directly in the underlying bond, the Fund will experience a greater increase in its common share net asset value if the underlying municipal bond increases in value, but will also experience a correspondingly larger decline in its common share net asset value if the underlying bond declines in value.

Each Fund may borrow money for the repurchase of its shares or for temporary or emergency purposes, such as for the payment of dividends or the settlement of portfolio transactions.

Each Fund is diversified for purposes of the 1940 Act. Consequently, as to 75% of its assets, a Fund may not invest more than 5% of its total assets in the securities of any single issuer, except that this limitation does not apply to securities of the U.S. Government, its agencies and instrumentalities.

As noted above, during temporary defensive periods and in order to keep a Fund's cash fully invested, each Fund may deviate from its investment objectives and invest up to 100% of its net assets in short-term investments including high quality, short-term securities that may be either tax-exempt or taxable. It is the intent of each Fund to invest in taxable short-term investments only in the event that

suitable tax-exempt short-term investments are not available at reasonable prices and yields. Investment in taxable short-term investments would result in a portion of your dividends being subject to regular federal income taxes and if the proportion of taxable investments exceeded 50% of a Fund's total assets as of the close of any quarter of the Fund's taxable year, the Fund would not satisfy the general eligibility test that permits it to pay exempt-interest dividends for that taxable year. For more information, See Tax Matters Federal Income Tax Matters in the Reorganization SAI.

Portfolio Investments

Municipal Securities

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

The municipal securities in which the Funds invest are generally issued by the Commonwealth of Pennsylvania, a municipality in Pennsylvania, or a political subdivision or agency or instrumentality of such Commonwealth or municipality, and pay interest that, in the opinion of bond counsel to the issuer (or on the basis of other authority believed by the Sub-Adviser to be reliable), is exempt from regular federal and Pennsylvania income taxes, although the interest may be subject to the federal alternative minimum tax. Each Fund may invest in municipal bonds issued by United States territories and possessions (such as Puerto Rico or Guam) that are exempt from regular federal and Pennsylvania income taxes.

The yields on municipal securities depend on a variety of factors, including prevailing interest rates and the condition of the general money market and the municipal bond market, the size of a particular offering, the maturity of the obligation and the rating of the issue. The market value of municipal bonds will vary with changes in interest rate levels and as a result of changing evaluations of the ability of their issuers to meet interest and principal payments.

Municipal Leases and Certificates of Participation. Each Fund also may purchase municipal securities that represent lease obligations and certificates of participation in such leases. These carry special risks because the issuer of the securities may not be obligated to appropriate money annually to make payments under the lease. A municipal lease is an obligation in the form of a lease or installment purchase that is issued by a state or local government to acquire equipment and facilities. Income from such obligations generally is exempt from state and local taxes in the state of issuance. Leases and installment purchase or conditional sale contracts (which normally provide for title to the leased asset to pass eventually to the governmental issuer) have evolved as a means for governmental issuers to acquire property and equipment without meeting the constitutional and statutory requirements for the issuance of debt. The debt issuance limitations are deemed to be inapplicable because of the inclusion in many leases or contracts of non-appropriation clauses that relieve the governmental issuer of any obligation to make future payments under the lease or contract unless money is appropriated for such purpose by the appropriate legislative body on a yearly or other periodic basis. In addition, such leases or contracts may be subject to the temporary abatement of payments in the event the issuer is prevented from maintaining occupancy of the leased premises or utilizing the leased equipment or facilities. Although the obligations may be secured by the leased equipment or facilities, the disposition of the property in the event of non-appropriation or foreclosure might prove difficult, time consuming and costly, and result in a delay in recovering, or the failure to recover fully, a Fund's original investment. To the extent that a Fund invests in unrated municipal leases or participates in such leases, the credit quality rating and risk of cancellation of such unrated leases will be monitored on an ongoing basis. In order to reduce this risk, each Fund will only purchase municipal securities representing lease obligations where the Adviser and/or the Sub-Adviser believes the issuer has a strong incentive to continue making appropriations until maturity.

A certificate of participation represents an undivided interest in an unmanaged pool of municipal leases, an installment purchase agreement or other instruments. The certificates typically are issued by a municipal agency, a trust or other entity that has received an assignment of the payments to be made by the state or political subdivision under such leases or installment purchase agreements. Such certificates provide a Fund with the right to a pro rata undivided interest in the underlying municipal securities. In addition, such participations generally provide a Fund with the right to demand payment, on not more than seven days' notice, of all or any part of such Fund's participation interest in the underlying municipal securities, plus accrued interest.

Municipal Notes. Municipal securities in the form of notes generally are used to provide for short-term capital needs, in anticipation of an issuer's receipt of other revenues or financing, and typically have maturities of up to three years. Such instruments may include tax anticipation notes, revenue anticipation notes, bond anticipation notes, tax and revenue anticipation notes and construction loan notes. Tax anticipation notes are issued to finance the working capital needs of governments. Generally, they are issued in anticipation of various tax revenues, such as income, sales, property, use and business taxes, and are payable from these specific future taxes. Revenue anticipation notes are issued in expectation of receipt of other kinds of revenue, such as federal revenues available under federal revenue sharing programs. Bond anticipation notes are issued to provide interim financing until long-term bond financing can be arranged. In most cases, the long-term bonds then provide the funds needed for repayment of the bond anticipation notes. Tax and revenue anticipation notes combine the funding sources of both tax anticipation notes and revenue anticipation notes. Construction loan notes are sold to provide construction financing. Mortgage notes insured by the Federal Housing Authority secure these notes; however, the proceeds from the insurance may be less than the economic equivalent of the payment of principal and interest on the mortgage note if there has been a default. The

anticipated revenues from taxes, grants or bond financing generally secure the obligations of an issuer of municipal notes. An investment in such instruments, however, presents a risk that the anticipated revenues will not be received or that such revenues will be insufficient to satisfy the issuer's payment obligations under the notes or that refinancing will be otherwise unavailable.

Pre-Refunded Municipal Securities. The principal of, and interest on, pre-refunded municipal securities are no longer paid from the original revenue source for the securities. Instead, the source of such payments is typically an escrow fund consisting of U.S. government securities. The assets in the escrow fund are derived from the proceeds of refunding bonds issued by the same issuer as the pre-refunded municipal securities. Issuers of municipal securities use this advance refunding technique to obtain more favorable terms with respect to securities that are not yet subject to call or redemption by the issuer. For example, advance refunding enables an issuer to refinance debt at lower market interest rates, restructure debt to improve cash flow or eliminate restrictive covenants in the indenture or other governing instrument for the pre-refunded municipal securities. However, except for a change in the revenue source from which principal and interest payments are made, the pre-refunded municipal securities remain outstanding on their original terms until they mature or are redeemed by the issuer.

Private Activity Bonds. Private activity bonds are issued by or on behalf of public authorities to obtain funds to provide privately operated housing facilities, airport, mass transit or port facilities, sewage disposal, solid waste disposal or hazardous waste treatment or disposal facilities and certain local facilities for water supply, gas or electricity. Other types of private activity bonds, the proceeds of which are used for the construction, equipment, repair or improvement of privately operated industrial or commercial facilities, may constitute municipal securities, although the current federal tax laws place substantial limitations on the size of such issues. A Fund's distributions of its interest income from private activity bonds may subject certain investors to the federal alternative minimum tax.

Inverse Floating Rate Securities. Inverse floating rate securities (sometimes referred to as inverse floaters) are securities whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. Generally, inverse floating rate securities represent beneficial interests in a special purpose trust formed by a third-party sponsor for the purpose of holding municipal bonds. The special purpose trust typically sells two classes of beneficial interests or securities: floating rate securities (sometimes referred to as short-term floaters or tender option bonds) and inverse floating rate securities (sometimes referred to as inverse floaters or residual interest securities). Both classes of beneficial interests are represented by certificates. The short-term floating rate securities have first priority on the cash flow from the municipal bonds held by the special purpose trust. Typically, a third party, such as a bank, broker-dealer or other financial institution, grants the floating rate security holders the option, at periodic intervals, to tender their securities to the institution and receive the face value thereof. As consideration for providing the option, the financial institution receives periodic fees.

The holder of the short-term floater effectively holds a demand obligation that bears interest at the prevailing short-term, tax-exempt rate. However, the institution granting the tender option will not be obligated to accept tendered short-term floaters in the event of certain defaults or a significant downgrade in the credit rating assigned to the bond issuer. For its inverse floating rate investment, a Fund receives the residual cash flow from the special purpose trust. Because the holder of the short term floater is generally assured liquidity at the face value of the security, a Fund as the holder of the inverse floater assumes the interest rate cash flow risk and the market value risk associated with the municipal bond deposited into the special purpose trust. The volatility of the interest cash flow and the residual market value will vary with the degree to which the trust is leveraged. This is expressed in the

ratio of the total face value of the short-term floaters in relation to the value of the inverse floaters that are issued by the special purpose trust, and can exceed three times for more highly leveraged trusts. All voting rights and decisions to be made with respect to any other rights relating to the municipal bonds held in the special purpose trust are passed through to a Fund, as the holder of the residual inverse floating rate securities.

Because increases in the interest rate on the short-term floaters reduce the residual interest paid on inverse floaters, and because fluctuations in the value of the municipal bond deposited in the special purpose trust affect the value of the inverse floater only, and not the value of the short-term floater issued by the trust, inverse floaters' value is generally more volatile than that of fixed rate bonds. The market price of inverse floating rate securities is generally more volatile than the underlying bonds due to the leveraging effect of this ownership structure. These securities generally will underperform the market of fixed rate bonds in a rising interest rate environment (i.e., when bond values are falling), but tend to out-perform the market of fixed rate bonds when interest rates decline or remain relatively stable. Although volatile, inverse floaters typically offer the potential for yields higher than those available on fixed rate bonds with comparable credit quality, coupon, call provisions and maturity. Inverse floaters have varying degrees of liquidity or illiquidity based upon the ability to sell the underlying bonds deposited in a special purpose trust at an attractive price. A Fund may invest in inverse floating rate securities issued by special purpose trusts whose sponsors have recourse to the Fund pursuant to a separate shortfall and forbearance agreement. Such an agreement would require a Fund to reimburse the third-party sponsor of the trust, upon termination of the trust issuing the inverse floater, for the difference between the liquidation value of the bonds held in the trust and the principal amount due to the holders of floating rate securities issued by the trust. A Fund will enter into such a recourse agreement (i) when the liquidity provider with respect to the floating rate securities issued by the special purpose trust requires such a recourse agreement because the level of leverage in the special purpose trust exceeds the level that the liquidity provider is willing to support absent such an agreement; and/or (ii) to seek to prevent the liquidity provider from collapsing the special purpose trust in the event that the municipal obligation held in the trust has declined in value. In an instance where a Fund has entered such a recourse agreement, such Fund may suffer a loss that exceeds the amount of its original investment in the inverse floating rate securities; such loss could be as great as that original investment amount plus the face amount of the floating rate securities issued by the trust.

Each Fund will segregate or earmark liquid assets with its custodian in accordance with the 1940 Act to cover its obligations with respect to its investments in special purpose trusts.

The Funds may invest in both inverse floating rate securities and floating rate securities (as discussed below) issued by the same special purpose trust.

Floating Rate Securities. Each Fund may also invest in floating rate securities, as described above, issued by special purpose trusts. Floating rate securities may take the form of short-term floating rate securities or the option period may be substantially longer. Generally, the interest rate earned will be based upon the market rates for municipal securities with maturities or remarketing provisions that are comparable in duration to the periodic interval of the tender option, which may vary from weekly, to monthly, to extended periods of one year or multiple years. Since the option feature has a shorter term than the final maturity or first call date of the underlying bond deposited in the trust, a Fund, as the holder of the floating rate securities, relies upon the terms of the agreement with the financial institution furnishing the option as well as the credit strength of that institution. As further assurance of liquidity, the terms of the trust provide for a liquidation of the municipal bond deposited

in the trust and the application of the proceeds to pay off the floating rate securities. The trusts that are organized to issue both short-term floating rate securities and inverse floaters generally include liquidation triggers to protect the investor in the floating rate securities.

Special Taxing Districts. Special taxing districts are organized to plan and finance infrastructure developments to induce residential, commercial and industrial growth and redevelopment. The bond financing methods such as tax increment finance, tax assessment, special services district and Mello-Roos bonds, generally are payable solely from taxes or other revenues attributable to the specific projects financed by the bonds without recourse to the credit or taxing power of related or overlapping municipalities. They often are exposed to real estate development-related risks and can have more taxpayer concentration risk than general tax-supported bonds, such as general obligation bonds. Further, the fees, special taxes, or tax allocations and other revenues that are established to secure such financings generally are limited as to the rate or amount that may be levied or assessed and are not subject to increase pursuant to rate covenants or municipal or corporate guarantees. The bonds could default if development failed to progress as anticipated or if larger taxpayers failed to pay the assessments, fees and taxes as provided in the financing plans of the districts.

When-Issued and Delayed-Delivery Transactions

Each Fund may buy and sell municipal securities on a when-issued or delayed delivery basis, making payment or taking delivery at a later date, normally within 15-45 days of the trade date. On such transactions the payment obligation and the interest rate are fixed at the time the buyer enters into the commitment. Beginning on the date a Fund enters into a commitment to purchase securities on a when-issued or delayed delivery basis, the Fund is required under rules of the SEC to maintain in a separate account liquid assets, consisting of cash, cash equivalents or liquid securities having a market value at all times of at least equal to the amount of the commitment. Income generated by any such assets which provide taxable income for federal income tax purposes is includable in the taxable income of a Fund and, to the extent distributed, will be taxable distributions to shareholders. A Fund may enter into contracts to purchase municipal securities on a forward basis (i.e., where settlement will occur more than 60 days from the date of the transaction) only to the extent that the Fund specifically collateralizes such obligations with a security that is expected to be called or mature within 60 days before or after the settlement date of the forward transaction. The commitment to purchase securities on a when-issued, delayed delivery or forward basis may involve an element of risk because no interest accrues on the bonds prior to settlement and at the time of delivery the market value may be less than cost.

Zero Coupon Bonds

Each Fund may invest in zero coupon bonds. A zero coupon bond is a bond that does not pay interest for its entire life. The market prices of zero coupon bonds are affected to a greater extent by changes in prevailing levels of interest rates and therefore tend to be more volatile in price than securities that pay interest periodically. In addition, because a Fund accrues income with respect to these securities prior to the receipt of such interest, it may have to dispose of portfolio securities under disadvantageous circumstances in order to obtain cash needed to pay income dividends in amounts necessary to avoid unfavorable tax consequences.

Structured Notes

Each Fund may utilize structured notes and similar instruments for investment purposes and also for hedging purposes. Structured notes are privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a benchmark asset, market or interest rate (an embedded index), such as selected securities, an index of securities or specified interest rates, or the differential performance of two assets or markets. The terms of such structured instruments normally provide that their principal and/or interest payments are to be adjusted upwards or downwards (but not ordinarily below zero) to reflect changes in the embedded index while the structured instruments are outstanding. As a result, the interest and/or principal payments that may be made on a structured product may vary widely, depending upon a variety of factors, including the volatility of the embedded index and the effect of changes in the embedded index on principal and/or interest payments. The rate of return on structured notes may be determined by applying a multiplier to the performance or differential performance of the referenced index or indices or other assets. Application of a multiplier involves leverage that will serve to magnify the potential for gain and the risk of loss.

Derivatives

General. Each 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. A Fund may also use credit default swaps and interest rate swaps. Credit default swaps may require initial premium (discount) payments as well as periodic payments (receipts) related to the interest leg of the swap or to the default of a reference obligation. If a Fund is a seller of a contract, the Fund would be required to pay the par (or other agreed upon) value of a referenced debt obligation to the counterparty in the event of a default or other credit event by the reference issuer, such as a U.S. or foreign corporate issuer, with respect to such debt obligations. In return, such Fund would receive from the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, such Fund would keep the stream of payments and would have no payment obligations. As the seller, a Fund would be subject to investment exposure on the notional amount of the swap. If a Fund is a buyer of a contract, the Fund would have the right to deliver a referenced debt obligation and receive the par (or other agreed-upon) value of such debt obligation from the counterparty in the event of a default or other credit event (such as a credit downgrade) by the reference issuer, such as a U.S. or foreign corporation, with respect to its debt obligations. In return, such Fund would pay the counterparty a periodic stream of payments over the term of the contract provided that no event of default has occurred. If no default occurs, the counterparty would keep the stream of payments and would have no further obligations to such Fund. Interest rate swaps involve the exchange by a Fund with a counterparty of their respective commitments to pay or receive interest, such as an exchange of fixed-rate payments for floating rate payments. A Fund will usually enter into interest rate swaps on a net basis; that is, the two payment streams will be netted out in a cash settlement on the payment date or dates specified in the instrument, with the Fund receiving or paying, as the case may be, only the net amount of the two payments.

The Adviser and/or the Sub-Adviser may use derivative instruments to seek to enhance return, to hedge some of the risk of each Fund's investments in municipal securities or as a substitute for a position in the underlying asset. These types of strategies may generate taxable income.

There is no assurance that these derivative strategies will be available at any time or that the Adviser and/or the Sub-Adviser will determine to use them for a Fund or, if used, that the strategies will be successful.

Limitations on the Use of Futures, Futures Options and Swaps. Pursuant to a claim for exemption filed with the National Futures Association on behalf of each Fund, each Fund is not deemed to be a commodity pool operator or a commodity pool under the Commodity Exchange Act (CEA) and neither it nor the Adviser or the Sub-Adviser is currently subject to registration or regulation as such under the CEA. In February 2012, the Commodity Futures Trading Commission (CFTC) announced substantial amendments to certain exemptions, and to the conditions for reliance on those exemptions, from registration as a commodity pool operator. Under amendments to the exemption provided under CFTC Regulation 4.5, if a Fund uses futures, options on futures, or swaps other than for bona fide hedging purposes (as defined by the CFTC), the aggregate initial margin and premiums on these positions (after taking into account unrealized profits and unrealized losses on any such positions and excluding the amount by which options that are in-the-money at the time of purchase are in-the-money) may not exceed 5% of the Fund's net asset value, or alternatively, the aggregate net notional value of those positions may not exceed 100% of the Fund's net asset value (after taking into account unrealized profits and unrealized losses on any such positions). The CFTC amendments to Regulation 4.5 took effect on December 31, 2012, and each Fund intends to comply with amended Regulation 4.5's requirements such that the Adviser and/or the Sub-Adviser will not be required to register with respect to the Fund as a commodity pool operator with the CFTC. Each Fund reserves the right to engage in transactions involving futures, options thereon and swaps to the extent allowed by CFTC regulations in effect from time to time and in accordance with the Fund's policies. The requirements for qualification as a regulated investment company may limit the extent to which the Funds may enter into futures transactions, engage in options transactions or engage in swap transactions.

Other Investment Companies

Each Fund may invest up to 10% of its Managed Assets 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 a Fund may invest directly. In addition, each 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 a Fund may invest directly. Each Fund generally expects that it may invest in other investment companies and/or other pooled investment vehicles either during periods when it has large amounts of uninvested cash or during periods when there is a shortage of attractive, high-yielding municipal securities available in the market. Each Fund may invest in investment companies that are advised by the Adviser and/or the Sub-Adviser or their affiliates to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC. The Funds have not applied for and currently do not intend to apply for such relief. As a shareholder in an investment company, a Fund will bear its ratable share of that investment company's expenses and would remain subject to payment of the Fund's advisory and administrative fees with respect to assets so invested. Common shareholders would therefore be subject to duplicative expenses to the extent a Fund invests in other investment companies.

The Adviser and/or the Sub-Adviser will take expenses into account when evaluating the investment merits of an investment in an investment company relative to available municipal security investments. In addition, the securities of other investment companies may also be leveraged and will

therefore be subject to the same leverage risks described herein. The net asset value and market value of leveraged shares will be more volatile, and the yield to common shareholders will tend to fluctuate more than the yield generated by unleveraged shares.

Hedging Strategies

Each Fund may use various investment strategies designed to limit the risk of bond price fluctuations and to preserve capital. These hedging strategies include using financial futures contracts, options on financial futures or options based on either an index of long-term municipal securities or on taxable debt securities whose prices, in the opinion of the Adviser and/or the Sub-Adviser, correlate with the prices of a Fund's investments. Successful implementation of most hedging strategies would generate taxable income.

The Board of each Fund recommends that shareholders vote FOR the approval of the Reorganization(s).

PROPOSAL NO. 3 APPROVAL OF ISSUANCE OF ADDITIONAL COMMON SHARES

OF ACQUIRING FUND

(COMMON SHAREHOLDERS OF THE ACQUIRING FUND)

In connection with the proposed Reorganizations, the Acquiring Fund will issue additional Acquiring Fund common shares and, subject to notice of issuance, list such shares on the NYSE. In addition, the Acquiring Fund will issue VRDP Shares and MTP Shares. The Acquiring Fund will acquire substantially all of the assets of each Target Fund in exchange for newly issued Acquiring Fund common shares and newly issued Acquiring Fund preferred shares and the assumption of substantially all of the liabilities of each Target Fund. Each Target Fund will distribute Acquiring Fund common shares to its common shareholders and Acquiring Fund preferred shares to its preferred shareholders and will then terminate its registration under the 1940 Act and dissolve under applicable state law. The Acquiring Fund's Board, based upon its evaluation of all relevant information, anticipates that the Reorganizations may benefit holders of the Acquiring Fund's common shares and preferred shares due to the increased size of the combined Fund.

The aggregate net asset value of the Acquiring Fund common shares received by each Target Fund in connection with a Reorganization will equal the aggregate net asset value of the Target Fund common shares held by shareholders of such Target Fund as of the Valuation Time. Prior to the Valuation Time, the net asset value of each Target Fund and the Acquiring Fund will be reduced by the costs of the Reorganizations borne by such Fund. 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 will receive cash in an amount equal to the value received for such shares in the open market, which may be higher or lower than net asset value. The aggregate liquidation preference of the preferred shares issued by the Acquiring Fund in connection with a Reorganization will equal the aggregate liquidation preference of the corresponding Target Fund preferred shares held immediately prior to the closing of the Reorganization. The Reorganizations will result in no reduction in net asset value of the Acquiring Fund's common shares, other than to reflect the costs of the Reorganizations. No gain or loss will be recognized by the Acquiring Fund for federal income tax purposes as a direct result of the Reorganizations. As a result of the Reorganizations, common shareholders of the Acquiring Fund will

hold a smaller percentage of the outstanding voting shares of the combined fund as compared to their percentage holdings prior to the Reorganizations. The Acquiring Fund will continue to operate as a registered closed-end management investment company with the investment objectives and policies described in this Joint Proxy Statement/Prospectus.

While applicable state and federal law does not require the common shareholders of the Acquiring Fund to approve the issuance of additional Acquiring Fund common shares, applicable NYSE rules require shareholder approval of additional Acquiring Fund common shares to be issued in connection with the Reorganizations, and the Acquiring Fund's Statement Establishing and Fixing the Rights and Preferences of VRDP Shares (the VRDP Statement) requires the common shareholders and preferred shareholders of the Acquiring Fund to vote together on matters submitted to a vote of shareholders.

Shareholder approval of the issuance of additional common shares of the Acquiring Fund requires the affirmative vote of a majority of the votes cast on the proposal, provided that the total votes cast on the proposal represent over 50% of the shares entitled to vote on the matter. Abstentions and broker non-votes will have no effect on the proposal. Broker non-votes represent shares held by brokers or nominees for which the brokers or nominees have executed proxies as to which (i) the broker or nominee does not have discretionary voting power and (ii) the broker or nominee has not received instructions from the beneficial owner or other person who is entitled to instruct how the shares will be voted.

The consummation of the Reorganizations is contingent on the satisfaction or waiver of all closing conditions including approval of the proposals relating to the Reorganizations by each Target Fund's shareholders and the Acquiring Fund's preferred shareholders.

The Board of the Acquiring Fund recommends that shareholders of the Acquiring Fund vote FOR the approval of the issuance of additional Acquiring Fund common shares in connection with the Reorganizations.

ADDITIONAL INFORMATION ABOUT THE ACQUIRING FUND

Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws

Under Massachusetts law, shareholders could, under certain circumstances, be held personally liable for the obligations of the Acquiring Fund. However, the Acquiring Fund's Declaration of Trust contains an express disclaimer of shareholder liability for debts or obligations of the Fund and requires that notice of such limited liability be given in each agreement, obligation or instrument entered into or executed by the Fund or the trustees. The Acquiring Fund's Declaration of Trust further provides for indemnification out of the assets and property of the Fund for all loss and expense of any shareholder held personally liable for the obligations of the Fund. Thus, the risk of a shareholder incurring financial loss on account of shareholder liability is limited to circumstances in which the Acquiring Fund would be unable to meet its obligations. The Acquiring Fund believes that the likelihood of such circumstances is remote.

The Acquiring Fund's Declaration of Trust includes provisions that could limit the ability of other entities or persons to acquire control of the Fund or to convert the Fund to open-end status.

Specifically, the Acquiring Fund's Declaration of Trust requires a vote by holders of at least two-thirds of the outstanding common shares and preferred shares, voting as a single class, except as described below, to authorize (1) a conversion of the Fund from a closed-end to an open-end investment company, (2) a merger or consolidation of the Fund with any corporation, or a reorganization or recapitalization of the Fund, (3) a sale, lease or transfer of all or substantially all of the Fund's assets (other than in the regular course of the Fund's investment activities), (4) in certain circumstances, a termination of the Fund, or (5) a removal of trustees by shareholders, and then only for cause, unless, with respect to (1) through (4), such transaction has already been authorized by the affirmative vote of two-thirds of the total number of trustees fixed in accordance with the Acquiring Fund's Declaration of Trust or the Acquiring Fund's By-Laws, in which case the affirmative vote of the holders of at least a majority of the Fund's outstanding common shares and preferred shares, voting as a single class, is required, provided, however, that, where only a particular class or series is affected (or, in the case of removing a trustee, when the trustee has been elected by only one class), only the required vote by the applicable class or series will be required. In the case of the conversion of the Acquiring Fund to an open-end investment company, or in the case of any of the foregoing transactions constituting a plan of reorganization (as that term is used in the 1940 Act) which adversely affects the holders of preferred shares, the action in question will also require the affirmative vote of the holders of at least two-thirds of the Acquiring Fund's preferred shares outstanding at the time, voting as a separate class, or, if such action has been authorized by the affirmative vote of two-thirds of the total number of trustees fixed in accordance with the Acquiring Fund's Declaration of Trust or the Acquiring Fund's By-Laws, the affirmative vote of the holders of at least a majority of the Acquiring Fund's preferred shares outstanding at the time, voting as a separate class. None of the foregoing voting provisions may be amended or repealed except by the vote of at least two-thirds of the common shares and preferred shares, voting as a single class. The votes required to approve the conversion of the Acquiring Fund from a closed-end to an open-end investment company or to approve transactions constituting a plan of reorganization which adversely affects the holders of preferred shares are higher than those required by the 1940 Act. The Acquiring Fund's Board believes that the provisions of the Acquiring Fund's Declaration of Trust relating to such higher votes are in the best interest of the Acquiring Fund.

The Acquiring Fund's Declaration of Trust provides that the obligations of the Acquiring Fund are not binding upon the Fund's trustees individually, but only upon the assets and property of the Fund, and that the trustees shall not be liable for errors of judgment or mistakes of fact or law. Nothing in the Acquiring Fund's Declaration of Trust, however, protects a trustee against any liability to which he or she would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

In addition, the By-Laws require the Board be divided into three classes with staggered terms. This provision of the By-Laws could delay for up to two years the replacement of a majority of the Board. Holders of preferred shares, voting as a separate class, are entitled to elect two of the Fund's trustees. See Proposal No. 1 Board Leadership Structure and Risk Oversight *Board Member Terms*.

The provisions of the Acquiring Fund's Declaration of Trust and By-Laws described above could have the effect of depriving the common shareholders of opportunities to sell their common shares at a premium over the then-current market price of the common shares by discouraging a third party from seeking to obtain control of the Fund in a tender offer or similar transaction. The overall effect of these provisions is to render more difficult the accomplishment of a merger or the assumption of control by a third party. They provide, however, the advantage of potentially requiring persons seeking control of the Acquiring Fund to negotiate with its management regarding the price to be paid

and facilitating the continuity of the Fund's investment objectives and policies. The Acquiring Fund's Board has considered the foregoing anti-takeover provisions and concluded that they are in the best interests of the Fund.

The Acquiring Fund's Declaration of Trust provides that common shareholders shall have no right to acquire, purchase or subscribe for any shares or securities of the Fund, other than such right, if any, as the Fund's Board in its discretion may determine.

Reference should be made to the Acquiring Fund's Declaration of Trust on file with the SEC for the full text of these provisions. Because the Acquiring Fund and each Target Fund is a Massachusetts business trust, each Target Fund's Declaration of Trust contains provisions similar to those discussed above.

Repurchase of Common Shares; Conversion to Open-End Fund

The Acquiring Fund is a closed-end management investment company, and as such its shareholders do not have the right to cause the Acquiring Fund to redeem their common shares. Instead, the common shares of the Acquiring Fund trade in the open market at a price that is a function of several factors, including dividend levels (which are in turn affected by expenses), net asset value, call protection, dividend stability, portfolio credit quality, relative demand for and supply of such shares in the market, general market and economic conditions and other factors. Because common shares of closed-end management investment companies may frequently trade at prices lower than net asset value, the Acquiring Fund's Board has determined that, at least annually, it will consider action that might be taken to reduce or eliminate any material discount from net asset value in respect of common shares, which may include the repurchase of such shares in the open market or in private transactions, the making of a tender offer for such shares at net asset value, or the conversion of the Acquiring Fund to an open-end investment company. There is no assurance that the Acquiring Fund's Board will decide to take any of these actions, or that share repurchases or tender offers will actually reduce market discount.

Notwithstanding the foregoing, at any time when the Acquiring Fund's preferred shares are outstanding, the Acquiring Fund may not purchase, redeem or otherwise acquire any of its common shares unless (1) all accumulated but unpaid preferred shares dividends due to be paid have been paid and (2) at the time of such purchase, redemption or acquisition, the net asset value of the Acquiring Fund's portfolio (determined after deducting the acquisition price of the common shares) is at least 200% of the liquidation value (expected to equal the original purchase price per share plus any accumulated but unpaid dividends thereon) of the outstanding preferred shares, including VRDP Shares and MTP Shares.

If the Acquiring Fund converted to an open-end investment company, it would be required to redeem all its preferred shares, including VRDP Shares and MTP Shares, then outstanding (requiring in turn that it liquidate a portion of its investment portfolio), and the common shares would no longer be listed on an exchange. In contrast to a closed-end management investment company, shareholders of an open-end management investment company may require the company to redeem their shares at any time (except in certain circumstances as authorized by or under the 1940 Act) at their net asset value, less any redemption charge that is in effect at the time of redemption. See Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws above for a discussion of the voting requirements applicable to the conversion of the Acquiring Fund to an open-end management investment company.

Before deciding whether to take any action if the common shares trade below net asset value, the Board would consider all relevant factors, including the extent and duration of the discount, the liquidity of the Acquiring Fund's portfolio, the impact of any action that might be taken on the Acquiring Fund or its shareholders, and market considerations. Based on these considerations, even if the Acquiring Fund's common shares should trade at a discount, the Board may determine that, in the interest of the Acquiring Fund, no action should be taken. See the Reorganization SAI under Repurchase of Common Shares; Conversion to Open-End Fund for a further discussion of possible action to reduce or eliminate such discount to net asset value.

Description of Outstanding Acquiring Fund VRDP Shares

The Acquiring Fund currently has outstanding 1,125 VRDP Shares, par value \$0.01 per share, with a liquidation value per share of \$100,000, which will remain outstanding following the completion of the Reorganizations. The Acquiring Fund initially issued VRDP Shares in a private offering during August 2010. Proceeds of the offering were used to redeem all of the Acquiring Fund's outstanding auction rate preferred shares. In December 2012, the Acquiring Fund exchanged all 1,125 of its Series 1 VRDP Shares for 1,125 Series 2 VRDP Shares in privately negotiated exchanges. The VRDP Shares were offered to qualified institutional buyers in private transactions exempt from registration under the Securities Act of 1933.

The Outstanding VRDP Shares have a mandatory redemption date of December 1, 2042, subject to earlier redemption or repurchase by the Fund, and pay an adjustable dividend rate set weekly by the remarketing agent. Holders of the Outstanding VRDP Shares have the right to give notice on any business day to tender the securities for remarketing in seven days. The Outstanding VRDP Shares are also subject to a mandatory tender for remarketing upon the occurrence of certain events, such as the non-payment of dividends by the Acquiring Fund, among others. Should a remarketing be unsuccessful, the dividend rate will reset to a maximum rate as defined in the governing documents of the Outstanding VRDP Shares.

The Outstanding VRDP Shares have the benefit of an unconditional demand feature pursuant to a purchase agreement provided by a bank acting as liquidity provider to ensure full and timely repayment of the liquidation preference amount plus any accumulated and unpaid dividends to holders upon the occurrence of certain events. The agreement requires the liquidity provider to purchase from holders all Outstanding VRDP Shares tendered for sale that were not successfully remarketed. The liquidity provider also must purchase all Outstanding VRDP Shares prior to termination of the purchase agreement, including by reason of the failure of the liquidity provider to maintain the requisite level of short-term ratings, if the Acquiring Fund has not obtained an alternate purchase agreement before the termination date.

The obligation of the liquidity provider to purchase the Outstanding VRDP Shares pursuant to the purchase agreement runs to the benefit of the holders of the Outstanding VRDP Shares and is unconditional and irrevocable, and as such the short-term ratings assigned to the Outstanding VRDP Shares are directly linked to the short-term creditworthiness of the associated liquidity provider. The liquidity provider entered into a purchase agreement with respect to the Outstanding VRDP Shares of the Acquiring Fund with an initial term of 364 days, subject to periodic extension by agreement with the Acquiring Fund.

Prior to the final mandatory redemption date of December 1, 2042, the Outstanding VRDP Shares are subject to optional and mandatory redemption by the Acquiring Fund in certain

circumstances. Outstanding VRDP Shares may be redeemed at any time, at the option of the Acquiring Fund (in whole or, from time to time, in part), out of funds legally available therefor, at a redemption price per share equal to the sum of \$100,000 plus an amount equal to accumulated but unpaid dividends thereon (whether or not earned or declared) to, but not excluding, the date fixed for redemption. Pursuant to the statement of preferences and a fee agreement with the liquidity provider for the Outstanding VRDP Shares, the Acquiring Fund will have an obligation to redeem, at a redemption price equal to \$100,000 per share plus accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, shares purchased by the liquidity provider pursuant to its obligations under the purchase agreement if the liquidity provider continues to be the beneficial owner for a period of six months and such shares cannot be successfully remarketed. The Acquiring Fund also will redeem, at a redemption price equal to the liquidation preference per share plus accumulated but unpaid dividends thereon (whether or not earned or declared) to, but excluding, the date fixed by the Board for redemption, such number of preferred shares as is necessary to achieve compliance with the applicable requirement, if the Acquiring Fund fails to maintain (i) the minimum VRDP asset coverage required under the 1940 Act and the Acquiring Fund's agreement with the liquidity provider or (ii) the VRDP basic maintenance amount prescribed by the applicable rating agencies then rating the Outstanding VRDP Shares, and such failures are not cured by the applicable cure date. In the event of changes in, or elimination of, any or all long-term ratings of the Outstanding VRDP Shares, the requirement to effect a mandatory redemption after the applicable cure date upon a failure to maintain the VRDP basic maintenance amount may be changed or eliminated.

Except as otherwise provided in the Acquiring Fund's Declaration of Trust, the VRDP Statement, or as otherwise required by applicable law, (i) each holder of VRDP Shares is entitled to one vote for each VRDP Share held on each matter submitted to a vote of shareholders of the Acquiring Fund, and (ii) the holders of VRDP Shares, along with holders of other outstanding preferred shares of the Acquiring Fund vote with holders of common shares of the Acquiring Fund as a single class; provided, however, that holders of preferred shares, including VRDP Shares, are entitled as a class to elect two trustees of the Acquiring Fund at all times. The holders of outstanding common shares and preferred shares, including VRDP Shares, voting as a single class, elect the balance of the trustees of the Acquiring Fund.

Holders of VRDP Shares, as a separate class, have voting and consent rights with respect to certain actions that would materially and adversely affect any preference, right or power of the VRDP Shares or holders of VRDP Shares. Holders of VRDP Shares also are entitled to vote as a class with holders of other preferred shares of the Acquiring Fund on matters that relate to the conversion of the Acquiring Fund to an open-end investment company, certain plans of reorganization adversely affecting holders of the preferred shares or any other action requiring a vote of security holders of the Acquiring Fund under Section 13(a) of the 1940 Act. In certain circumstances, holders of preferred shares, including VRDP Shares, are entitled to elect additional trustees in the event at least two full years' dividends are due and unpaid and sufficient cash or specified securities have not been deposited for their payment, or at any time holders of preferred shares are entitled under the 1940 Act to elect a majority of the trustees of the Acquiring Fund.

The Outstanding VRDP Shares are senior in priority to the Acquiring Fund's common shares as to the payment of dividends and as to the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund. The Outstanding VRDP Shares have equal priority as to the

payment of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Acquiring Fund with other preferred shares of the Acquiring Fund, including the New VRDP Shares and the MTP Shares.

Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption Agent

The custodian of the assets of the Acquiring Fund is State Street Bank and Trust Company (State Street), One Lincoln Street, Boston, Massachusetts 02111. The custodian performs custodial, fund accounting and portfolio accounting services. The Acquiring Fund's transfer, shareholder services and dividend disbursing agent and redemption and paying agent is also State Street, 250 Royall Street, Canton, Massachusetts 02021.

Federal Income Tax Matters Associated with Investment in the Acquiring Fund

The following information is meant as a general summary of certain federal income tax matters for U.S. shareholders. Please see the Reorganization SAI for additional information. Investors should rely on their own tax adviser for advice about the particular federal, state and local tax consequences to them of investing in the Acquiring Fund.

The Acquiring Fund has elected to be treated and intends to qualify each year (including the taxable year in which the Reorganizations occur) as a regulated investment company (RIC) under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code). In order to qualify as a RIC, the Acquiring Fund must satisfy certain requirements regarding the sources of its income, the diversification of its assets and the distribution of its income. As a RIC, the Acquiring Fund is not expected to be subject to federal income tax on the income and gains it distributes to its shareholders. The Acquiring Fund primarily invests in municipal securities issued by Pennsylvania, its cities and local authorities. Thus, substantially all of the Acquiring Fund's dividends paid to you should qualify as exempt-interest dividends. A shareholder treats an exempt-interest dividend as interest on state and local bonds exempt from regular federal income tax. Federal income tax law imposes an alternative minimum tax with respect to corporations, individuals, trusts and estates. Interest on certain municipal obligations, such as certain private activity bonds, is included as an item of tax preference in determining the amount of a taxpayer's alternative minimum taxable income. To the extent that the Acquiring Fund receives income from such municipal obligations, a portion of the dividends paid by the Acquiring Fund, although exempt from regular federal income tax, will be taxable to shareholders to the extent that their tax liability is determined under the federal alternative minimum tax. The Acquiring Fund will annually provide a report indicating the percentage of the Acquiring Fund's income attributable to municipal obligations subject to the federal alternative minimum tax. Corporations are subject to special rules in calculating their federal alternative minimum taxable income with respect to interest from municipal obligations.

Future legislation could limit the exclusion from gross income of tax-exempt interest (which includes exempt-interest dividends received from the Acquiring Fund). Such legislation could affect the value of the municipal bonds owned by the Acquiring Fund. The likelihood of such legislation being enacted cannot be predicted. Shareholders should consult their own tax advisers regarding the potential consequences of future legislation on their investment in the Acquiring Fund.

In addition to exempt-interest dividends, the Acquiring Fund may also distribute to its shareholders amounts that are treated as long-term capital gain or ordinary income (which may include

short-term capital gains). These distributions may be subject to federal, state and local taxation, depending on a shareholder's situation. If so, they are taxable whether or not such distributions are reinvested. Net capital gain distributions (the excess of net long-term capital gain over net short-term capital loss) are generally taxable at rates applicable to long-term capital gains regardless of how long a shareholder has held its shares. Long-term capital gains are currently taxable to noncorporate shareholders at a maximum federal income tax rate of 15%, or for certain high income individuals, 20%. In addition, for taxable years beginning after December 31, 2012, certain individuals, estates and trusts are subject to a 3.8% Medicare tax on net investment income, including net capital gains and other taxable dividends. The Acquiring Fund does not expect that any part of its distributions to shareholders from its investments will qualify for the dividends-received deduction available to corporate shareholders or as qualified dividend income to noncorporate shareholders.

As a RIC, the Acquiring Fund will not be subject to federal income tax in any taxable year provided that it meets certain distribution requirements. The Acquiring Fund may retain for investment some (or all) of its net capital gain. If the Acquiring Fund retains any net capital gain or investment company taxable income, it will be subject to tax at regular corporate rates on the amount retained. If the Acquiring Fund retains any net capital gain, it may designate the retained amount as undistributed capital gains in a notice to its shareholders who, if subject to federal income tax on long-term capital gains, (i) will be required to include in income for federal income tax purposes, as long-term capital gain, their share of such undistributed amount; (ii) will be entitled to credit their proportionate shares of the federal income tax paid by the Acquiring Fund on such undistributed amount against their federal income tax liabilities, if any; and (iii) may claim refunds to the extent the credit exceeds such liabilities. For federal income tax purposes, the basis of shares owned by a shareholder of the Acquiring Fund will be increased by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder's gross income and the tax deemed paid by the shareholder under clause (ii) of the preceding sentence.

The IRS currently requires that a RIC that has two or more classes of stock allocate to each such class proportionate amounts of each type of its income (such as exempt interest, ordinary income and capital gains). Accordingly, the Acquiring Fund designates dividends made with respect to common shares and preferred shares as consisting of particular types of income (e.g., exempt interest, net capital gain and ordinary income) in accordance with each class' proportionate share of the total dividends paid by the Acquiring Fund during the year.

Dividends declared by the Acquiring Fund to shareholders of record in October, November or December and paid during the following January will be treated as having been received by shareholders in the year the distributions were declared.

Each shareholder will receive an annual statement summarizing the shareholder's dividend and capital gains distributions.

The redemption, sale or exchange of shares normally will result in capital gain or loss to shareholders who hold their shares as capital assets. Generally, a shareholder's gain or loss will be long-term capital gain or loss if the shares have been held for more than one year even though the increase in value in such shares is attributable to tax-exempt interest income. The gain or loss on shares held for one year or less will generally be treated as short-term capital gain or loss. Present law taxes both long-term and short-term capital gains of corporations at the same rates applicable to ordinary income. For noncorporate taxpayers, however, long-term capital gains are currently taxed at a

maximum federal income tax rate of 15% (or 20% for certain high income individuals), while short-term capital gains and other ordinary income are currently taxed at ordinary income rates. An additional 3.8% Medicare tax may also apply to certain individual, estate or trust shareholders capital gain from the sale or other disposition of shares for taxable years beginning after December 31, 2012. Any loss on the sale of shares that have been held for six months or less will be disallowed to the extent of any distribution of exempt-interest dividends received with respect to such shares, unless the shares are of a RIC that declares exempt-interest dividends on a daily basis in an amount equal to at least 90% of its net tax-exempt interest and distributes such dividends on a monthly or more frequent basis. Any remaining loss on the sale or disposition of shares held for six months or less will be treated as a long-term capital loss to the extent of any net capital gain distributions received by the shareholder on such shares. Any loss realized on a sale or exchange of shares of the Acquiring Fund will be disallowed to the extent those shares of the Acquiring Fund are replaced by other substantially identical shares of the Acquiring Fund or other substantially identical stock or securities (including through reinvestment of dividends) within a period of 61 days beginning 30 days before and ending 30 days after the date of disposition of the original shares. In that event, the basis of the replacement shares will be adjusted to reflect the disallowed loss.

Any interest on indebtedness incurred or continued to purchase or carry the Acquiring Fund's shares to which exempt-interest dividends are allocated is not deductible. Under certain applicable rules, the purchase or ownership of shares may be considered to have been made with borrowed funds even though such funds are not directly used for the purchase or ownership of the shares. In addition, if you receive Social Security or certain railroad retirement benefits, you may be subject to U.S. federal income tax on a portion of such benefits as a result of receiving investment income, including exempt-interest dividends and other distributions paid by the Acquiring Fund.

If the Acquiring Fund invests in certain pay-in-kind securities, zero coupon securities, deferred interest securities or, in general, any other securities with original issue discount (or with market discount if the Acquiring Fund elects to include market discount in income currently), the Acquiring Fund must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, the Acquiring Fund must distribute to shareholders, at least annually, all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid) and its net tax-exempt income, including such accrued income, to qualify as a RIC and (with respect to its ordinary income and capital gain) to avoid federal income and excise taxes. Therefore, the Acquiring Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy these distribution requirements.

The Acquiring Fund may hold or acquire municipal obligations that are market discount bonds. A market discount bond is a security acquired in the secondary market at a price below its redemption value (or its adjusted issue price if it is also an original issue discount bond). If the Acquiring Fund invests in a market discount bond, it will be required to treat any gain recognized on the disposition of such market discount bond as ordinary taxable income to the extent of the accrued market discount.

The Acquiring Fund may be required to withhold U.S. federal income tax at a rate of 28% from all distributions (including exempt-interest dividends) and redemption proceeds payable to a shareholder if the shareholder fails to provide the Acquiring Fund with his or her correct taxpayer identification number or to make required certifications, or if the shareholder has been notified by the IRS (or the IRS notifies the Acquiring Fund) that he or she is subject to backup withholding. Backup

withholding is not an additional tax; rather, it is a way in which the IRS ensures it will collect taxes otherwise due. Any amounts withheld may be credited against a shareholder's U.S. federal income tax liability.

With respect to MTP Shares, the Acquiring Fund will receive an opinion from special tax counsel that MTP Shares of the Acquiring Fund will constitute equity of the Fund, and the foregoing discussion assumes such treatment. Accordingly, distributions with respect to MTP Shares (other than distributions in redemption of MTP Shares subject to Section 302(b) of the Code) will generally constitute dividends to the extent of the Fund's current or accumulated earnings and profits, as calculated for federal income tax purposes. Because the treatment of a corporate security as debt or equity is determined on the basis of the facts and circumstances of each case, and no controlling precedent exists for the MTP Shares, there can be no assurance that the IRS will not question special tax counsel's opinion and the Acquiring Fund's treatment of MTP Shares as equity. If the IRS were to succeed in such a challenge, holders of MTP Shares could be characterized as receiving taxable interest income rather than exempt-interest or other dividends, possibly requiring them to file amended income tax returns and retroactively to recognize additional amounts of ordinary income or to pay additional tax, interest, and penalties.

Pennsylvania Tax Matters

The following is based upon the advice of K&L Gates LLP, special tax counsel to the Acquiring Fund.

The following is a general, abbreviated summary of certain provisions of the applicable Pennsylvania tax law as presently in effect as it directly governs the taxation of resident individual and corporate shareholders of the Acquiring Fund. This summary does not address the taxation of other shareholders nor does it discuss any local taxes that may be applicable. These provisions are subject to change by legislative or administrative action, and any such change may be retroactive with respect to transactions of the Acquiring Fund. The following is based on the assumptions that the Acquiring Fund will qualify each year as a regulated investment company under Subchapter M of the Code, that the Acquiring Fund will be registered under the 1940 Act, that the MTP Shares will qualify as stock of the Acquiring Fund for federal income tax purposes, that the Acquiring Fund will satisfy all the conditions which will cause the Fund's distributions to qualify as exempt interest-dividends to shareholders for federal and Pennsylvania income tax purposes, and that the Acquiring Fund will make such distributions of income and gains as are necessary to qualify to be taxed as a regulated investment company for federal tax purposes.

The Acquiring Fund should not be subject to the Pennsylvania corporate net income tax or capital stock/franchise tax.

Distributions from the Acquiring Fund that are made out of earnings and profits of the Fund derived from interest on obligations which are statutorily free from state taxation in Pennsylvania (Exempt Obligations) will not be taxable to shareholders for purposes of the Pennsylvania personal income tax. The term Exempt Obligations includes (i) those obligations issued by the Commonwealth of Pennsylvania and its political subdivisions, agencies and instrumentalities, the interest from which is statutorily free from state taxation in the Commonwealth of Pennsylvania, and (ii) certain qualifying obligations of U.S. territories and possessions, or U.S. government obligations. Distributions attributable to most other sources, including capital gains, will not be exempt from Pennsylvania personal income tax.

Corporate shareholders will not be subject to the Pennsylvania corporate net income tax on distributions made by the Acquiring Fund, provided such distributions are derived from interest on Exempt Obligations. For Pennsylvania corporate net income tax purposes, however, the exemption of any such distribution that was included in U.S. federal taxable income shall be reduced by any interest on indebtedness incurred to carry the shares and other expenses incurred in the production of such income, including expenses deducted on the U.S. federal income tax return that would not have been allowed if the distribution were exempt from U.S. federal income tax. To support any claim for exemption, the corporate taxpayer must submit evidence that the income was received from a regulated investment company and submit a schedule indicating the percentage of income applicable to exempt and non-exempt assets. Distributions of capital gain attributable to Exempt Obligations will be subject to the Pennsylvania corporate net income tax.

Gain from the sale, exchange or other disposition of the shares generally will be subject to the Pennsylvania personal income tax and corporate net income tax.

Shares of the Acquiring Fund may be subject to the Pennsylvania inheritance tax and Pennsylvania estate tax if held by a Pennsylvania decedent at the time of death.

The foregoing is a general, abbreviated summary of certain of the provisions of Pennsylvania statutes and administrative interpretations presently in effect governing the taxation of shareholders of the Acquiring Fund. These provisions are subject to change by legislative or administrative action, and any such change may be retroactive with respect to Acquiring Fund transactions. Shareholders are advised to consult with their own tax advisors for more detailed information concerning Pennsylvania tax matters.

Net Asset Value

The Acquiring Fund's net asset value per common share is determined as of the close of the regular session trading (normally 4:00 p.m. Eastern time) on each day the NYSE is open for business. Net asset value is calculated by taking the market value of the Acquiring Fund's total assets, including interest or dividends accrued but not yet collected, less all liabilities, and dividing by the total number of shares outstanding. The result, rounded to the nearest cent, is the net asset value per share. All valuations are subject to review by the Acquiring Fund's Board or its delegate.

In determining net asset value per common share, expenses are accrued and applied daily and securities and other assets for which market quotations are available are valued at market value. The prices of municipal bonds are provided by a pricing service approved by the Acquiring Fund's Board. When market price quotes are not readily available (which is usually the case for municipal securities), the pricing service, or, in the absence of a pricing service for a particular security, the Board of the Acquiring Fund, or its designee, may establish fair market value using a wide variety of market data including yields or prices of municipal bonds of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from securities dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant by the pricing service or the Board's designee.

Legal Opinions

Certain legal matters in connection with the issuance of common shares and MTP Shares pursuant to the Agreement and Plan of Reorganization will be passed upon by Bingham McCutchen, LLP, Boston, Massachusetts.

Experts

The financial statements of the Acquiring Fund and the Target Funds appearing in the Funds Annual Report for the year ended April 30, 2013 are incorporated by reference herein. The financial statements have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing. Ernst & Young LLP provides auditing services to the Acquiring Fund and each Target Fund. The principal business address of Ernst & Young LLP is 155 North Wacker Drive, Chicago, Illinois 60606.

GENERAL INFORMATION

Outstanding Shares of the Acquiring Fund and each Target Fund

The following table sets forth the number of outstanding common shares and preferred shares and certain other share information, of each Fund as of [], 2013.

| (1) Title of Class | (2) Shares Authorized | (3) Shares Held by Fund for Its Own Account | (4) Shares Outstanding Exclusive of Shares Shown under (3) |
|------------------------------|--------------------------|---|---|
| Acquiring Fund: | | | |
| Common shares | Unlimited | | [] |
| Preferred shares (VRDP) | Unlimited | | 1,125 |
| Premium Income: | | | |
| Common shares | Unlimited | | [] |
| Preferred shares (VRDP) | Unlimited | | 1,050 |
| Dividend Advantage: | | | |
| Common shares | Unlimited | | [] |
| Preferred shares (MTP) | Unlimited | | 2,319,000 |
| Dividend Advantage 2: | | | |
| Common shares | Unlimited | | [] |
| Preferred shares (MTP) | Unlimited | | 2,455,000 |

The common shares of the Acquiring Fund and Premium Income are listed and trade on the NYSE under the ticker symbols NQP and NPY, respectively. The common shares of Dividend Advantage and Dividend Advantage 2 are listed and trade on the NYSE MKT under the ticker symbols NXM and NVY, respectively. The MTP Shares of Dividend Advantage and Dividend Advantage 2 are listed and trade on the NYSE under the ticker symbols NXM PrC and NVY PrC, respectively. The VRDP Shares of the Acquiring Fund and Premium Income are not listed on any exchange. Upon the closing of the Reorganizations, it is expected that the common shares of the Acquiring Fund will continue to be listed, and the MTP Shares of the Acquiring Fund will be listed, on the NYSE.

Shareholders of the Acquiring Fund and the Target Funds

As of June 30, 2013, the members of the Board and officers of each Fund as a group 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 shareholders or groups of shareholders who beneficially own more than 5% of a class of shares of a Fund is provided below. Information in the table below regarding the number and percentage of shares owned is based on a review of Schedule 13D and 13G filings and amendments made on or before [], 2013. The estimated pro forma information presented is calculated assuming that outstanding common and preferred shares were as of [], 2013.

| Fund and Class | Shareholder Name and Address | Number of Shares Owned | Percentage Owned | Estimated Pro Forma | |
|----------------------|------------------------------|------------------------|------------------|--------------------------------------|---------------------------------------|
| | | | | Corresponding Class of Combined Fund | All Preferred Shares of Combined Fund |
| Acquiring Fund | | | | | |
| Common Shares | | | | | |
| Premium Income | | | | | |
| Common Shares | | | | | |
| Dividend Advantage | | | | | |
| Common Shares | | | | | |
| Dividend Advantage | | | | | |
| MTP Shares | | | | | |
| Dividend Advantage 2 | | | | | |
| Common Shares | | | | | |
| Dividend Advantage 2 | | | | | |
| MTP Shares | | | | | |

(a) []

(b) []

VRDP Shares are designed to be eligible for purchase by money market funds. Based on information provided by the remarketing agent for the VRDP Shares, money market funds within certain fund complexes may hold, in the aggregate, greater than 5% of the outstanding VRDP Shares of one or more Funds, and individual money market funds within such complexes may beneficially own an indeterminable amount of VRDP Shares exceeding 5% of the outstanding VRDP Shares of one or more Funds. Information with respect to aggregate holdings of VRDP Shares associated with fund complexes identified by the remarketing agents (number of VRDP Shares and percentage of total outstanding) is as follows: Acquiring Fund: [] ([] shares ([]%)), [] ([] shares ([]%)), [] ([] shares ([]%)); Premium Income: [] ([] shares ([]%)), [] ([] shares ([]%)), [] ([] shares ([]%)).

Audit Committee Report

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

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

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

The current members of the committee are:

Robert P. Bremner

David J. Kundert

William J. Schneider

Carole E. Stone

Terence J. Toth

Appointment of the Independent Registered Public Accounting Firm

Each Fund's Board has appointed Ernst & Young LLP as independent registered public accounting firm to audit the books and records of each Fund for its current fiscal year. A representative

of Ernst & Young LLP will be present at the Annual Meeting to make a statement, if such representative so desires, and to respond to shareholders' questions. Ernst & Young LLP has informed each Fund that it has no direct or indirect material financial interests in the Funds, Nuveen, the Adviser or any other investment company sponsored by Nuveen.

Audit and Related Fees

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

| | Audit Fees | | Audit Related Fees | | | | Tax Fees | | | | All Other Fees | | | |
|----------------------|------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|------------------------|------------------------|------------------------------|------------------------|
| | Fund ⁽¹⁾ | | Fund ⁽²⁾ | | Adviser and Adviser Entities | | Fund ⁽³⁾ | | Adviser and Adviser Entities | | Fund ⁽⁴⁾ | | Adviser and Adviser Entities | |
| | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 | Fiscal Year Ended 2012 | Fiscal Year Ended 2013 |
| Acquiring Fund | \$ 21,200 | \$ 22,250 | \$ | \$ 1,500 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Premium Income | 21,200 | 22,250 | | 1,500 | | | | | | | | | | |
| Dividend Advantage | 21,200 | 22,250 | | | | | | | | | | | | |
| Dividend Advantage 2 | 21,200 | 22,250 | | | | | | | | | | | | |

- (1) Audit Fees are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in connection with statutory and regulatory filings or engagements.
- (2) Audit-Related Fees are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of financial statements that are not reported under Audit Fees. These fees include offerings related to the Fund's common shares and leverage.
- (3) Tax Fees are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculations performed by the principal accountant.
- (4) All Other Fees are the aggregate fees billed for products and services other than Audit Fees, Audit-Related Fees and Tax Fees. These fees represent all Agreed-Upon Procedures engagements pertaining to the Fund's use of leverage.

Non-Audit Fees. The following table provides the aggregate non-audit fees billed by each Fund's independent registered accounting firm for services rendered to each Fund, the Adviser and the Adviser Entities during each Fund's last two fiscal years. Less than 50 percent of the principal accountant's engagement to audit the registrant's financial statements for the most recent year were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

| Fund | Total Non-Audit Fees Billed to Fund | | Total Non-Audit Fees Billed to Adviser and Adviser Entities (Engagements Related Directly to the Operations and Financial Reporting of Fund) | | Total Non-Audit Fees Billed to Adviser and Adviser Entities (All Other Engagements) | | Total | |
|----------------------|-------------------------------------|-------------------|--|-------------------|---|-------------------|-------------------|-------------------|
| | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended | Fiscal Year Ended |
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Acquiring Fund | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Premium Income | | | | | | | | |
| Dividend Advantage | | | | | | | | |
| Dividend Advantage 2 | | | | | | | | |

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

The Audit Committee has approved in advance all audit services and non-audit services that the independent registered public accounting firm provided to each Fund and to the Adviser and Adviser Entities (with respect to the operations and financial reporting of each Fund). None of the services rendered by the independent registered public accounting firm to each Fund or the Adviser or Adviser Entities were pre-approved by the Audit Committee pursuant to the pre-approval exception under Rule 2-01(c)(7)(i)(C) or Rule 2-01(c)(7)(ii) of Regulation S-X.

Section 16(a) Beneficial Interest Reporting Compliance

Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members and officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of a Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the NYSE or NYSE MKT, as applicable. These persons and entities are required by SEC regulation to furnish the Funds with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to each Fund, each Fund believes that its Board Members and officers, the Adviser and affiliated persons of the Adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year. To the knowledge of management of the Funds, no shareholder of a Fund owns more than 10% of a registered class of a Fund's equity securities, except as provided above in the section entitled Shareholders of the Acquiring Fund and Target Funds.

Expenses of Proxy Solicitation

The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement and all other costs in connection with the solicitation of proxies will be paid by the Funds pro

rata based on the projected net benefit and cost savings to each Fund. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives. Any additional costs of solicitation will be paid by the Fund that requires additional solicitation.

Shareholder Proposals

To be considered for presentation at the 2014 annual meeting of shareholders of the Funds, shareholder proposals submitted pursuant to Rule 14a-8 under the 1934 Act must have been received at the offices of the Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than [], 2014. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 must, pursuant to each Fund's By-Laws, submit such written notice to the respective Fund no later than [], 2014 or prior to [], 2014. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

If all proposals are approved and the Reorganizations are consummated, the Target Funds will cease to exist and will not hold their 2014 annual meetings. If the Reorganizations are not approved or are not consummated, each Target Fund will hold its 2014 annual meeting of shareholders, expected to be held in [November] 2014.

Shareholder Communications

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

Fiscal Year

The fiscal year end for each Fund is April 30.

Annual Report Delivery

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

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on November 22, 2013

Each Fund's Proxy Statement is available at <http://www.nuveenproxy.com/ProxyInfo/CEF/Default.aspx>. For more information, shareholders may also contact the applicable Fund at the address and phone number set forth above.

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

Other Information

Management of the Funds does not intend to present and does not have reason to believe that others will present any items of business at the Annual Meetings, except as described in this Joint Proxy Statement/Prospectus. However, if other matters are properly presented at the meetings for a vote, the proxies will be voted upon such matters in accordance with the judgment of the persons acting under the proxies.

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

In the absence of a quorum for a particular matter, business may proceed on any other matter or matters which may properly come before the Annual Meeting if there shall be present, in person or by proxy, a quorum of shareholders in respect of such other matters. The chairman of the meeting may, whether or not a quorum is present, propose one or more adjournments of the Annual Meeting on behalf of a Fund without further notice to permit further solicitation of proxies. Any such adjournment will require the affirmative vote of the holders of a majority of the shares of the Fund present in person or by proxy and entitled to vote at the session of the Annual Meeting to be adjourned.

Broker-dealer firms holding shares in street name for the benefit of their customers and clients will request the instruction of such customers and clients on how to vote their shares on the proposals. A broker-dealer firm that has not received instructions from a customer prior to the date specified in its request for voting instructions may not vote such customer's shares on the proposals. A signed proxy card or other authorization by a beneficial owner of shares of a Fund that does not specify how the beneficial owner's shares are to be voted on a proposal may be deemed to be an instruction to vote such shares in favor of the proposal.

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

Kevin J. McCarthy

Vice President and Secretary

The Nuveen Funds

[], 2013

APPENDIX A

FORM OF AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (the Agreement) is made as of this day of , 2013 by and among Nuveen Pennsylvania Investment Quality Municipal Fund (the Acquiring Fund) and each of Nuveen Pennsylvania Premium Income Municipal Fund 2 (Premium Income or a Target Fund), Nuveen Pennsylvania Dividend Advantage Municipal Fund (Dividend Advantage or a Target Fund) and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (Dividend Advantage 2 or a Target Fund and, collectively with Premium Income and Dividend Advantage, the Target Funds), each, a Massachusetts business trust. The Acquiring Fund and each Target Fund may be referred to herein each as a Fund and collectively as the Funds.

For each Reorganization (as defined below), this Agreement is intended to be, and is adopted as, a plan of reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the Code), and the Treasury Regulations promulgated thereunder. The reorganization of each Target Fund into the Acquiring Fund will consist of: (i) the transfer of substantially all of the assets of the Target Fund to the Acquiring Fund in exchange solely for newly issued common shares of beneficial interest, par value \$0.01 per share, of the Acquiring Fund (Acquiring Fund Common Shares) and, with respect to Premium Income, newly issued Variable Rate Demand Preferred Shares (VRDP Shares) of the Acquiring Fund, with a par value of \$0.01 per share and liquidation preference of \$100,000 per share, as set forth in this Agreement (Acquiring Fund VRDP Shares) and, with respect to Dividend Advantage and Dividend Advantage 2, newly issued MuniFund Term Preferred Shares (MTP Shares) of the Acquiring Fund, with a par value of \$0.01 per share and liquidation preference of \$10 per share, as set forth in this Agreement (Acquiring Fund MTP Shares and, together with the Acquiring Fund VRDP Shares, the Acquiring Fund Preferred Shares and, collectively with the Acquiring Fund Common Shares and Acquiring Fund VRDP Shares, the Acquiring Fund Shares) and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund; and (ii) the distribution of all the Acquiring Fund Common Shares and Acquiring Fund VRDP Shares or Acquiring Fund MTP Shares received by the Target Fund to the holders of common shares and VRDP Shares or MTP Shares of the Target Fund, respectively, as part of the complete liquidation, dissolution and termination of the Target Fund as provided herein, all upon the terms and conditions set forth in this Agreement (each, a Reorganization and, together, the Reorganizations).

WHEREAS, each Fund is a closed-end, management investment company registered under the Investment Company Act of 1940, as amended (the 1940 Act), and each Target Fund owns securities that generally are assets of the character in which the Acquiring Fund is permitted to invest;

WHEREAS, the Acquiring Fund is authorized to issue the Acquiring Fund Shares; and

WHEREAS, the Board of Trustees of the Acquiring Fund (the Acquiring Fund Board) has determined that the Reorganizations are in the best interests of the Acquiring Fund and that the interests of the existing shareholders of the Acquiring Fund will not be diluted as a result of the Reorganizations, and the Board of Trustees of each Target Fund (each, a Target Fund Board) has determined that the applicable Reorganization is in the best interests of the respective Target Fund and that the interests of the existing shareholders of such Target Fund will not be diluted as a result of its Reorganization.

NOW, THEREFORE, in consideration of the premises and of the covenants and agreements hereinafter set forth, the parties hereto covenant and agree as follows:

ARTICLE I

**TRANSFER OF ASSETS OF EACH TARGET FUND IN EXCHANGE FOR
ACQUIRING FUND SHARES AND THE ASSUMPTION OF THE LIABILITIES OF
EACH TARGET FUND AND TERMINATION AND LIQUIDATION OF
EACH TARGET FUND**

1.1 **THE EXCHANGE.** Subject to the terms and conditions contained herein and on the basis of the representations and warranties contained herein, each Target Fund agrees to transfer substantially all of its assets, as set forth in Section 1.2, to the Acquiring Fund. In consideration therefor, the Acquiring Fund agrees: (i) to issue and deliver to such Target Fund the number of Acquiring Fund Common Shares computed in the manner set forth in Section 2.3, and the same number of Acquiring Fund VRDP Shares or Acquiring Fund MTP Shares as the number of VRDP Shares or MTP Shares of such Target Fund, respectively, outstanding immediately prior to the Closing Date (as defined in Section 3.1) and having substantially identical terms as the VRDP Shares or MTP Shares, respectively, of such Target Fund, as of the Closing Date, and (ii) to assume substantially all of the liabilities of such Target Fund, if any, as set forth in Section 1.3. The Acquiring Fund Preferred Shares to be issued to each Target Fund shall consist of a separate series, as set forth in Exhibit A hereto, and such series shall: (i) have equal priority with each other and with other outstanding preferred shares of the Acquiring Fund as to the payment of dividends and as to the distribution of assets upon liquidation of the Acquiring Fund; and (ii) have, along with any other outstanding preferred shares of the Acquiring Fund, preference with respect to the payment of dividends and as to the distribution of assets upon liquidation of the affairs of the Acquiring Fund over the common shares of the Acquiring Fund. Such transactions shall take place at the closing provided for in Section 3.1 (each, a Closing and, together, the Closings).

1.2 **ASSETS TO BE TRANSFERRED.** Each Target Fund shall transfer substantially all of its assets to the Acquiring Fund, including, without limitation, cash, securities, commodities, interests in futures, dividends or interest receivables owned by the Target Fund and any deferred or prepaid expenses shown as an asset on the books of the Target Fund as of the Closing, except that the Target Fund shall retain assets sufficient to pay the preferred share dividends as set forth in Section 1.4 and the dividends set forth in Section 8.5.

Each Target Fund will, within a reasonable period of time before the Closing Date, furnish the Acquiring Fund with a list of the Target Fund's portfolio securities and other investments. The Acquiring Fund will, within a reasonable period of time before the Closing Date, furnish each Target Fund with a list of the securities, if any, on the Target Fund's list referred to above that do not conform to the Acquiring Fund's investment objectives, policies, and restrictions. Each Target Fund, if requested by the Acquiring Fund, will dispose of securities on the Acquiring Fund's list before the Closing Date. In addition, if it is determined that the portfolios of a Target Fund and the Acquiring Fund, when aggregated, would contain investments exceeding certain percentage limitations imposed upon the Acquiring Fund with respect to such investments, such Target Fund, if requested by the Acquiring Fund, will dispose of a sufficient amount of such investments as may be necessary to avoid violating such limitations as of the Closing Date. Notwithstanding the foregoing, nothing herein will

require any Target Fund to dispose of any investments or securities if, in the reasonable judgment of the Target Fund Board or Nuveen Fund Advisors, LLC, the investment adviser to the Funds (the Adviser), such disposition would adversely affect the status of its Reorganization as a reorganization as such term is used in the Code or would otherwise not be in the best interests of such Target Fund.

1.3 LIABILITIES TO BE ASSUMED. Each Target Fund will endeavor to discharge all of its known liabilities and obligations to the extent possible before the Closing Date, except for the dividends set forth in Section 1.4 and the dividends set forth in Section 8.5. Notwithstanding the foregoing, the liabilities not so discharged shall be assumed by the Acquiring Fund, which assumed liabilities shall include all of each Target Fund's liabilities, debts, obligations, and duties of whatever kind or nature, whether absolute, accrued, contingent, or otherwise, whether or not arising in the ordinary course of business, whether or not determinable at the Closing Date, and whether or not specifically referred to in this Agreement, provided that the Acquiring Fund shall not assume any liabilities with respect to the dividends set forth in Section 1.4 or the dividends set forth in Section 8.5.

1.4 DECLARATION OF PREFERRED SHARE DIVIDENDS. Dividends shall accumulate on the existing VRDP Shares or MTP Shares of a Target Fund, as applicable, up to and including the day before the Closing Date and then cease to accumulate, and dividends on the Acquiring Fund Preferred Shares shall accumulate from and including the Closing Date. Prior to the Valuation Time (as defined in Section 2.1), each Target Fund shall declare all accumulated but unpaid dividends on its VRDP Shares or MTP Shares, as applicable, up to and including the day before the Closing Date. With respect to Premium Income's existing VRDP Shares, such dividends shall be paid on the Closing Date to holders thereof as of the day immediately preceding the Closing Date. With respect to the existing MTP Shares of Dividend Advantage and Dividend Advantage 2, such dividends shall be paid on the dividend payment date in respect of the first dividend period of the Acquiring Fund MTP Shares for which such Target Fund's MTP Shares were exchanged to the holders thereof as of the day immediately preceding the Closing Date. Each Target Fund shall retain assets in an amount sufficient to pay the dividends declared by it pursuant to this Section 1.4, and such assets shall not be transferred to the Acquiring Fund on the Closing Date.

1.5 LIQUIDATION AND DISTRIBUTION. On or as soon after the Closing Date as is practicable but in no event later than 12 months after the Closing Date (the Liquidation Date): (a) each Target Fund will distribute in complete liquidation of the Target Fund, pro rata to its common shareholders of record (the Target Fund Common Shareholders), as of the time of such distribution, all of the Acquiring Fund Common Shares received by such Target Fund pursuant to Section 1.1 (together with any dividends declared with respect thereto to holders of record as of a time after the Valuation Time and payable prior to the Liquidation Date (Interim Dividends)) and to its preferred shareholders of record (Target Fund Preferred Shareholders and, together with Target Fund Common Shareholders, the Target Fund Shareholders), as of the time of such distribution, one of the Acquiring Fund VRDP Shares or Acquiring Fund MTP Shares received by such Target Fund (together with any Interim Dividends) in exchange for each VRDP Share or MTP Share of the Target Fund, respectively, held by such Target Fund Preferred Shareholder immediately prior to its respective Reorganization; and (b) each Target Fund will thereupon proceed to dissolve and terminate as set forth in Section 1.8 below. Such distributions will be accomplished by the transfer of the Acquiring Fund Shares then credited to the account of each Target Fund on the books of the Acquiring Fund to open accounts on the share records of the Acquiring Fund in the names of Target Fund Shareholders and representing, in the case of a Target Fund Common Shareholder, such shareholder's pro rata share of

the Acquiring Fund Common Shares received by such Target Fund and, in the case of a Target Fund Preferred Shareholder, the same number of Acquiring Fund VRDP Shares or Acquiring Fund MTP Shares received by such Target Fund as the number of VRDP Shares or MTP Shares of the Target Fund, as applicable, held by such Target Fund Preferred Shareholder immediately prior to the Closing Date (as set forth above), and by paying to Target Fund Shareholders any Interim Dividends on such transferred shares. All issued and outstanding common and preferred shares of each Target Fund will simultaneously be canceled on the books of the Target Fund. The Acquiring Fund shall not issue certificates representing Acquiring Fund Shares in connection with such transfer.

1.6 OWNERSHIP OF SHARES. Ownership of Acquiring Fund Shares will be shown on the books of the Acquiring Fund's transfer agent. Acquiring Fund Shares will be issued to each Target Fund as set forth in this Agreement.

1.7 TRANSFER TAXES. Any transfer taxes payable upon the issuance of Acquiring Fund Shares in a name other than the registered holder of a Target Fund's common shares or preferred shares on the books of such Target Fund as of that time shall, as a condition of such issuance and transfer, be paid by the person to whom such Acquiring Fund Shares are to be issued and transferred.

1.8 TERMINATION. Each Target Fund shall completely liquidate and be dissolved, terminated and have its affairs wound up in accordance with Massachusetts state law promptly following the Closing Date and the making of all distributions pursuant to Section 1.5.

1.9 REPORTING. Any reporting responsibility of a Target Fund, including, without limitation, the responsibility for filing of regulatory reports, tax returns or other documents with the Securities and Exchange Commission (the Commission), the exchange on which such Target Fund's shares are listed or any state securities commission and any federal, state or local tax authorities or any other relevant regulatory authority, is and shall remain the responsibility of such Target Fund.

1.10 BOOKS AND RECORDS. All books and records of each Target Fund, including all books and records required to be maintained under the 1940 Act, and the rules and regulations thereunder, shall be available to the Acquiring Fund from and after the Closing Date and shall be turned over to the Acquiring Fund as soon as practicable following the Closing Date.

ARTICLE II

VALUATION

2.1 VALUATION OF ASSETS. The value of the net assets of each Target Fund shall be the value of its assets, less its liabilities, computed as of the close of regular trading on the New York Stock Exchange on the business day immediately prior to the Closing Date (such time and date being hereinafter called the Valuation Time), using the valuation procedures of the Nuveen closed-end funds adopted by the Target Fund Board or such other valuation procedures as shall be mutually agreed upon by the parties. The value of each Target Fund's net assets shall be calculated net of the liquidation preference (including accumulated and unpaid dividends) of all outstanding preferred shares of the Target Fund.

2.2 VALUATION OF SHARES. The net asset value per Acquiring Fund Common Share shall be computed as of the Valuation Time, using the valuation procedures of the Nuveen closed-end

funds adopted by the Acquiring Fund Board or such other valuation procedures as shall be mutually agreed upon by the parties. The value of the Acquiring Fund's net assets shall be calculated net of the liquidation preference (including accumulated and unpaid dividends) of all outstanding Acquiring Fund preferred shares.

2.3 **COMMON SHARES TO BE ISSUED.** The number of Acquiring Fund Common Shares to be issued in exchange for a Target Fund's assets transferred to the Acquiring Fund shall be determined by dividing the value of such assets transferred to the Acquiring Fund (net of the liabilities of such Target Fund that are assumed by the Acquiring Fund), determined in accordance with Section 2.1, by the net asset value of an Acquiring Fund Common Share determined in accordance with Section 2.2. No fractional Acquiring Fund Common Shares will be distributed to Target Fund Common Shareholders and, in lieu of such fractional shares, Target Fund Common Shareholders will receive cash. The aggregate net asset value of Acquiring Fund Common Shares received by each Target Fund in a Reorganization will equal, as of the Valuation Time, the aggregate net asset value of the Target Fund's common shares held by Target Fund Common Shareholders as of such time. In the event there are fractional Acquiring Fund Common Shares due a Target Fund Common Shareholder on the Closing Date after a Target Fund's assets have been exchanged for Acquiring Fund Common Shares, the Acquiring Fund's transfer agent will aggregate such fractional common shares and sell the resulting whole on the exchange on which such shares are listed for the account of holders of all such fractional interests, and each such holder will be entitled to a pro rata share of the proceeds from such sale. With respect to the aggregation and sale of fractional common shares, the Acquiring Fund's transfer agent will act directly on behalf of the shareholders entitled to receive fractional shares and will accumulate such fractional shares, sell the shares and distribute the cash proceeds net of brokerage commissions, if any, directly to shareholders entitled to receive the fractional shares (without interest and subject to withholding taxes).

2.4 **EFFECT OF SUSPENSION IN TRADING.** In the event that at the Valuation Time either: (a) the exchange on which shares of a Fund are listed or another primary exchange on which the portfolio securities of the Acquiring Fund or a Target Fund are purchased or sold shall be closed to trading or trading on such exchange shall be restricted; or (b) trading or the reporting of trading on the exchange on which shares of a Fund are listed or elsewhere shall be disrupted so that accurate appraisal of the value of the net assets of the Acquiring Fund or a Target Fund is impracticable, the Valuation Time shall be postponed until the first business day after the day when trading is fully resumed and reporting is restored.

2.5 **COMPUTATIONS OF NET ASSETS.** All computations of net asset value in this Article II shall be made by or under the direction of State Street Bank and Trust Company ("State Street") in accordance with its regular practice as custodian of the Funds.

ARTICLE III

CLOSING AND CLOSING DATE

3.1 **CLOSING DATE.** Each Closing shall occur on January 13, 2014 or such other date as the parties may agree (the "Closing Date"). Unless otherwise provided, all acts taking place at the Closing shall be deemed to take place as of 8:00 a.m. Central time. Each Closing shall be held as of 8:00 a.m. Central time at the offices of Vedder Price P.C. in Chicago, Illinois or at such other time and/or place as the parties may agree.

3.2 CUSTODIAN'S CERTIFICATE. Each Target Fund shall cause State Street, as custodian for such Target Fund, to deliver to the Acquiring Fund at the Closing a certificate of an authorized officer stating that the Target Fund's portfolio securities, cash, and any other assets shall have been delivered in proper form to the Acquiring Fund on the Closing Date.

3.3 CERTIFICATES OF TRANSFER AGENT AND TENDER AND PAYING AGENT.

(a) With respect to its common shares and, as applicable, MTP Shares, each Target Fund shall issue and deliver or cause State Street, in its capacity as transfer agent with respect to common shares and MTP Shares, to issue and deliver to the Acquiring Fund at the Closing a certificate of an authorized officer stating that its records contain the names and addresses of all holders of common shares and, as applicable, MTP Shares of such Target Fund, and the number and percentage ownership of outstanding common shares and, as applicable, MTP Shares owned by each such Target Fund Shareholder immediately prior to the Closing. With respect to its VRDP Shares, Premium Income shall issue and deliver or cause The Bank of New York Mellon, in its capacity as tender and paying agent with respect to VRDP Shares, to issue and deliver to the Acquiring Fund at the Closing a certificate of an authorized officer stating that its records contain the names and addresses of all holders of VRDP Shares of Premium Income, and the number and percentage ownership of outstanding VRDP Shares owned by each such Target Fund Shareholder immediately prior to the Closing.

(b) The Acquiring Fund shall issue and deliver or cause State Street, in its capacity as transfer agent with respect to common shares and MTP Shares, and The Bank of New York Mellon, in its capacity as tender and paying agent with respect to VRDP Shares, to issue and deliver to each Target Fund a confirmation evidencing the Acquiring Fund Shares to be credited on the Closing Date to the Secretary of each Target Fund or provide evidence satisfactory to each Target Fund that such Acquiring Fund Shares have been credited to each Target Fund's account on the books of the Acquiring Fund.

3.4 DELIVERY OF ADDITIONAL ITEMS. At the Closing, each party shall deliver to the other parties such bills of sale, checks, assignments, share certificates, receipts and other documents, if any, as such other parties or their counsel may reasonably request to effect the transactions contemplated by this Agreement.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

4.1 REPRESENTATIONS OF EACH TARGET FUND. Each Target Fund represents and warrants solely on its own behalf with respect to its Reorganization as follows:

(a) The Target Fund is a business trust duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts.

(b) The Target Fund is registered as a closed-end management investment company under the 1940 Act, and such registration is in full force and effect.

- (c) The Target Fund is not, and the execution, delivery, and performance of this Agreement (subject to shareholder approval) will not result, in violation of any provision of the Target Fund's Declaration of Trust, By-Laws, Statement Establishing and Fixing the Rights and Preferences of Variable Rate Demand Preferred Shares (Target Fund VRDP Statement) or Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares (Target Fund MTP Statement), as applicable, or of any material agreement, indenture, instrument, contract, lease, or other undertaking to which the Target Fund is a party or by which it is bound.
- (d) Except as otherwise disclosed in writing to and accepted by the Acquiring Fund, the Target Fund has no material contracts or other commitments that will be terminated with liability to it on or before the Closing Date.
- (e) No litigation, administrative proceeding, or investigation of or before any court or governmental body is presently pending or to its knowledge threatened against the Target Fund or any of its properties or assets, which, if adversely determined, would materially and adversely affect its financial condition, the conduct of its business, or the ability of the Target Fund to carry out the transactions contemplated by this Agreement. The Target Fund knows of no facts that might form the basis for the institution of such proceedings and is not a party to or subject to the provisions of any order, decree, or judgment of any court or governmental body that materially and adversely affects its business or its ability to consummate the transactions contemplated herein.
- (f) The financial statements of the Target Fund as of April 30, 2013 and for the fiscal year then ended have been prepared in accordance with generally accepted accounting principles, and such statements (copies of which have been furnished to the Acquiring Fund) fairly reflect the financial condition of the Target Fund as of April 30, 2013, and there are no known contingent liabilities of the Target Fund as of such date that are not disclosed in such statements.
- (g) Since the date of the financial statements referred to in subsection (f) above, there have been no material adverse changes in the Target Fund's financial condition, assets, liabilities or business (other than changes occurring in the ordinary course of business) and there are no known contingent liabilities of the Target Fund arising after such date. For the purposes of this subsection (g), a decline in the net asset value of the Target Fund shall not constitute a material adverse change.
- (h) All federal, state, local and other tax returns and reports of the Target Fund required by law to be filed by it (taking into account permitted extensions for filing) have been timely filed and are complete and correct in all material respects. All federal, state, local and other taxes of the Target Fund required to be paid (whether or not shown on any such return or report) have been paid, or provision shall have been made for the payment thereof and any such unpaid taxes, as of the date of the financial statements referred to in subsection (f) above, are properly reflected thereon. To the best of the Target Fund's knowledge, no tax authority is currently auditing or preparing to audit the Target Fund, and no assessment for taxes, interest, additions to tax or penalties has been asserted against the Target Fund.
- (i) The authorized capital of the Target Fund consists of an unlimited number of common and preferred shares of beneficial interest, par value \$0.01 per share. All issued and outstanding shares of the Target Fund are duly and validly issued, fully paid and non-assessable by the Target Fund (recognizing that under Massachusetts law, Target Fund shareholders, under certain circumstances, could be held personally liable for the obligations of the Target Fund under

Massachusetts law). All of the issued and outstanding shares of the Target Fund will, at the time of the Closing, be held by the persons and in the amounts set forth in the records of the Target Fund's transfer agent or tender and paying agent, as applicable, as provided in Section 3.3. The Target Fund has no outstanding options, warrants or other rights to subscribe for or purchase any shares of the Target Fund, and has no outstanding securities convertible into shares of the Target Fund.

(j) At the Closing, the Target Fund will have good and marketable title to the Target Fund's assets to be transferred to the Acquiring Fund pursuant to Section 1.2, and full right, power, and authority to sell, assign, transfer, and deliver such assets, and the Acquiring Fund will acquire good and marketable title thereto, subject to no restrictions on the full transfer thereof, including such restrictions as might arise under the Securities Act of 1933, as amended (the "1933 Act"), except those restrictions as to which the Acquiring Fund has received notice and necessary documentation at or prior to the Closing.

(k) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Target Fund, including the determinations of the Target Fund Board required by Rule 17a-8(a) of the 1940 Act. Subject to approval by shareholders, this Agreement constitutes a valid and binding obligation of the Target Fund, enforceable in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights and to general equity principles.

(l) The information to be furnished by the Target Fund for use in no-action letters, applications for orders, registration statements, proxy materials and other documents that may be necessary in connection with the transactions contemplated herein shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations.

(m) From the effective date of the Registration Statement (as defined in Section 5.7) through the time of the meeting of shareholders and on the Closing Date, any written information furnished by the Target Fund with respect to the Target Fund for use in the Proxy Materials (as defined in Section 5.7), or any other materials provided in connection with the Reorganization, does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.

(n) For each taxable year of its operations (including the taxable year ending on the Closing Date), the Target Fund: (i) has elected to qualify, and has qualified or will qualify (in the case of the short taxable year ending with the Closing Date), as a regulated investment company under the Code (a "RIC"); (ii) has been eligible to compute and has computed its federal income tax under Section 852 of the Code, and on or prior to the Closing Date will have declared a distribution with respect to all its investment company taxable income (determined without regard to the deduction for dividends paid), the excess of its interest income excludible from gross income under Section 103(a) of the Code over its deductions disallowed under Sections 265 and 171(a)(2) of the Code and its net capital gain (as such terms are defined in the Code) that has accrued or will accrue on or prior to the Closing Date; and (iii) has been, and will be (in the case of the short taxable year ending with the Closing Date), treated as a separate corporation for federal income tax purposes.

4.2 REPRESENTATIONS OF THE ACQUIRING FUND. The Acquiring Fund represents and warrants as follows:

- (a) The Acquiring Fund is a business trust duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts.
- (b) The Acquiring Fund is registered as a closed-end management investment company under the 1940 Act, and such registration is in full force and effect.
- (c) The Acquiring Fund is not, and the execution, delivery and performance of this Agreement (subject to shareholder approval) will not result, in violation of the Acquiring Fund's Declaration of Trust, By-Laws, Statement Establishing and Fixing the Rights and Preferences of Variable Rate Demand Preferred Shares (Acquiring Fund VRDP Statement), or of any material agreement, indenture, instrument, contract, lease, or other undertaking to which the Acquiring Fund is a party or by which it is bound.
- (d) No litigation, administrative proceeding or investigation of or before any court or governmental body is presently pending or to its knowledge threatened against the Acquiring Fund or any of its properties or assets, which, if adversely determined, would materially and adversely affect its financial condition, the conduct of its business or the ability of the Acquiring Fund to carry out the transactions contemplated by this Agreement. The Acquiring Fund knows of no facts that might form the basis for the institution of such proceedings and it is not a party to or subject to the provisions of any order, decree, or judgment of any court or governmental body that materially and adversely affects its business or its ability to consummate the transactions contemplated herein.
- (e) The financial statements of the Acquiring Fund as of April 30, 2013 and for the fiscal year then ended have been prepared in accordance with generally accepted accounting principles and have been audited by independent auditors, and such statements (copies of which have been furnished to each Target Fund) fairly reflect the financial condition of the Acquiring Fund as of April 30, 2013, and there are no known contingent liabilities of the Acquiring Fund as of such date that are not disclosed in such statements.
- (f) Since the date of the financial statements referred to in subsection (e) above, there have been no material adverse changes in the Acquiring Fund's financial condition, assets, liabilities or business (other than changes occurring in the ordinary course of business) and there are no known contingent liabilities of the Acquiring Fund arising after such date. For the purposes of this subsection (f), a decline in the net asset value of the Acquiring Fund shall not constitute a material adverse change.
- (g) All federal, state, local and other tax returns and reports of the Acquiring Fund required by law to be filed by it (taking into account permitted extensions for filing) have been timely filed and are complete and correct in all material respects. All federal, state, local and other taxes of the Acquiring Fund required to be paid (whether or not shown on any such return or report) have been paid or provision shall have been made for their payment and any such unpaid taxes, as of the date of the financial statements referred to in subsection (e) above, are properly reflected thereon. To the best of the Acquiring Fund's knowledge, no tax authority is currently auditing or preparing to audit the Acquiring Fund, and no assessment for taxes, interest, additions to tax or penalties has been asserted against the Acquiring Fund.

- (h) The authorized capital of the Acquiring Fund consists of an unlimited number of common and preferred shares of beneficial interest, par value \$0.01 per share. All issued and outstanding shares of the Acquiring Fund are duly and validly issued, fully paid and non-assessable by the Acquiring Fund (recognizing that under Massachusetts law, Acquiring Fund shareholders, under certain circumstances, could be held personally liable for the obligations of the Acquiring Fund). The Acquiring Fund has no outstanding options, warrants, or other rights to subscribe for or purchase any shares of the Acquiring Fund, and has no outstanding securities convertible into shares of the Acquiring Fund.
- (i) The execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Acquiring Fund, including the determinations of the Acquiring Fund Board required pursuant to Rule 17a-8(a) of the 1940 Act. Subject to approval by shareholders, this Agreement constitutes a valid and binding obligation of the Acquiring Fund, enforceable in accordance with its terms, subject as to enforcement, to bankruptcy, insolvency, reorganization, moratorium, and other laws relating to or affecting creditors' rights and to general equity principles.
- (j) The Acquiring Fund Shares to be issued and delivered to each Target Fund for the account of Target Fund Shareholders pursuant to the terms of this Agreement will, at the Closing Date, have been duly authorized. When so issued and delivered, such Acquiring Fund Shares will be duly and validly issued shares of the Acquiring Fund, and will be fully paid and non-assessable by the Acquiring Fund (recognizing that under Massachusetts law, Acquiring Fund shareholders, under certain circumstances, could be held personally liable for the obligations of the Acquiring Fund).
- (k) The information to be furnished by the Acquiring Fund for use in no-action letters, applications for orders, registration statements, proxy materials, and other documents that may be necessary in connection with the transactions contemplated herein shall be accurate and complete in all material respects and shall comply in all material respects with federal securities and other laws and regulations.
- (l) From the effective date of the Registration Statement (as defined in Section 5.7) through the time of the meeting of shareholders and on the Closing Date, any written information furnished by the Acquiring Fund with respect to the Acquiring Fund for use in the Proxy Materials (as defined in Section 5.7), or any other materials provided in connection with the Reorganizations, does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated or necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.
- (m) For each taxable year of its operations, including the taxable year that includes the Closing Date, the Acquiring Fund: (i) has elected to qualify, has qualified or will qualify (in the case of the year that includes the Closing Date) and intends to continue to qualify as a RIC under the Code; (ii) has been eligible to and has computed its federal income tax under Section 852 of the Code, and will do so for the taxable year that includes the Closing Date; and (iii) has been, and will be (in the case of the taxable year that includes the Closing Date), treated as a separate corporation for federal income tax purposes.
- (n) The Acquiring Fund agrees to use all reasonable efforts to obtain the approvals and authorizations required by the 1933 Act, the 1940 Act, and any state securities laws as it may deem appropriate in order to continue its operations after the Closing Date.

ARTICLE V

COVENANTS OF THE FUNDS

5.1 **OPERATION IN ORDINARY COURSE.** Subject to Sections 1.2, 1.4 and 8.5, the Acquiring Fund and each Target Fund will operate its respective business in the ordinary course from the date of this Agreement through the Closing, it being understood that such ordinary course of business will include customary dividends and distributions, and any other distribution necessary or desirable to avoid federal income or excise taxes.

5.2 **APPROVAL OF SHAREHOLDERS.** The Acquiring Fund and each Target Fund will call meetings of their respective shareholders to consider and act upon this Agreement and to take all other appropriate action necessary to obtain approval of the transactions contemplated herein.

5.3 **INVESTMENT REPRESENTATION.** Each Target Fund covenants that the Acquiring Fund Shares to be issued pursuant to this Agreement are not being acquired for the purpose of making any distribution, other than in connection with the Reorganizations and in accordance with the terms of this Agreement.

5.4 **ADDITIONAL INFORMATION.** Each Target Fund will assist the Acquiring Fund in obtaining such information as the Acquiring Fund reasonably requests concerning the beneficial ownership of the Target Fund's shares.

5.5 **FURTHER ACTION.** Subject to the provisions of this Agreement, each Fund will take or cause to be taken all action, and do or cause to be done all things, reasonably necessary, proper or advisable to consummate and make effective the transactions contemplated by this Agreement, including any actions required to be taken after the Closing Date.

5.6 **STATEMENT OF EARNINGS AND PROFITS.** As promptly as practicable, but in any case within 60 days after the Closing Date, each Target Fund shall furnish the Acquiring Fund, in such form as is reasonably satisfactory to the Acquiring Fund and which shall be certified by such Target Fund's Controller, a statement of the earnings and profits of the Target Fund for federal income tax purposes, as well as any net operating loss carryovers and capital loss carryovers, that will be carried over to the Acquiring Fund pursuant to Section 381 of the Code.

5.7 **PREPARATION OF REGISTRATION STATEMENT AND PROXY MATERIALS.** The Funds will prepare and file with the Commission a registration statement on Form N-14 relating to the Acquiring Fund Common Shares and Acquiring Fund MTP Shares to be issued to Target Fund Shareholders (the Registration Statement). The Registration Statement shall include a proxy statement of the Funds and a prospectus of the Acquiring Fund relating to the transactions contemplated by this Agreement. The Registration Statement shall be in compliance with the 1933 Act, the Securities Exchange Act of 1934, as amended (the 1934 Act), and the 1940 Act, as applicable. Each party will provide the other party with the materials and information necessary to prepare the proxy statement and related materials (the Proxy Materials), for inclusion therein, in connection with the meetings of the Funds' shareholders to consider the approval of this Agreement and the transactions contemplated herein.

5.8 **TAX STATUS OF REORGANIZATIONS.** The intention of the parties is that each Reorganization will qualify as a reorganization within the meaning of Section 368(a) of the Code. None of the Target Funds or the Acquiring Fund shall take any action, or cause any action to be taken (including, without limitation, the filing of any tax return), that is inconsistent with such treatment or that results in the failure of the transactions to qualify as a reorganization within the meaning of Section 368(a) of the Code. At or prior to the Closing, the parties to this Agreement will take such action, or cause such action to be taken, as is reasonably necessary to enable counsel to render the tax opinion contemplated in Section 8.8.

ARTICLE VI

CONDITION PRECEDENT TO OBLIGATIONS OF EACH TARGET FUND

The obligations of each Target Fund to consummate the transactions provided for herein shall be subject to the fulfillment or waiver of the following condition:

6.1 All representations, covenants, and warranties of the Acquiring Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing, with the same force and effect as if made on and as of the Closing. The Acquiring Fund shall have delivered to each Target Fund a certificate executed in the Acquiring Fund's name by the Acquiring Fund's (i) Chief Administrative Officer or Vice President and (ii) Controller, in form and substance satisfactory to each Target Fund and dated as of the Closing Date, to such effect and as to such other matters as each Target Fund shall reasonably request.

ARTICLE VII

CONDITIONS PRECEDENT TO OBLIGATIONS OF THE ACQUIRING FUND

The obligations of the Acquiring Fund to consummate the transactions provided for herein shall be subject to the fulfillment or waiver of the following conditions:

7.1 All representations, covenants, and warranties of each Target Fund contained in this Agreement shall be true and correct in all material respects as of the date hereof and as of the Closing, with the same force and effect as if made on and as of the Closing. Each Target Fund shall have delivered to the Acquiring Fund on the Closing Date a certificate executed in the Target Fund's name by the Target Fund's (i) Chief Administrative Officer or Vice President and (ii) Controller, in form and substance satisfactory to the Acquiring Fund and dated as of the Closing Date, to such effect and as to such other matters as the Acquiring Fund shall reasonably request.

7.2 Each Target Fund shall have delivered to the Acquiring Fund a statement of the Target Fund's assets and liabilities, together with a list of the Target Fund's portfolio securities showing the tax basis of such securities by lot and the holding periods of such securities, as of the Closing, certified by the Controller of the Target Fund.

7.3 Prior to the Valuation Time, each Target Fund shall have declared the dividends and/or distributions contemplated by Section 1.4 and Section 8.5.

ARTICLE VIII

FURTHER CONDITIONS PRECEDENT

The obligations of each Target Fund and the Acquiring Fund hereunder shall also be subject to the fulfillment or waiver of the following conditions:

8.1 This Agreement and the transactions contemplated herein shall have been approved by the requisite vote of the holders of the outstanding shares of each Target Fund in accordance with applicable law and the provisions of each Target Fund's Declaration of Trust, Target Fund VRDP Statement or Target Fund MTP Statement, as applicable, and By-Laws. In addition, this Agreement, the issuance of Acquiring Fund Shares and the transactions contemplated herein shall have been approved by the requisite votes of the holders of the outstanding shares of the Acquiring Fund in accordance with applicable law, the requirements of the applicable exchanges and the provisions of the Acquiring Fund's Declaration of Trust, Acquiring Fund VRDP Statement and By-Laws.

8.2 On the Closing Date, the Commission shall not have issued an unfavorable report under Section 25(b) of the 1940 Act, or instituted any proceeding seeking to enjoin the consummation of the transactions contemplated by this Agreement under Section 25(c) of the 1940 Act. Furthermore, no action, suit or other proceeding shall be threatened or pending before any court or governmental agency in which it is sought to restrain or prohibit, or obtain damages or other relief in connection with this Agreement or the transactions contemplated herein.

8.3 All required consents of other parties and all other consents, orders, and permits of federal, state and local regulatory authorities (including those of the Commission and of state securities authorities, including any necessary no-action positions and exemptive orders from such federal and state authorities) to permit consummation of the transactions contemplated herein shall have been obtained.

8.4 The Registration Statement shall have become effective under the 1933 Act, and no stop orders suspending the effectiveness thereof shall have been issued. To the best knowledge of the parties to this Agreement, no investigation or proceeding for that purpose shall have been instituted or be pending, threatened or contemplated under the 1933 Act.

8.5 Each Target Fund shall have declared prior to the Valuation Time a dividend or dividends which, together with all previous such dividends, shall have the effect of distributing to its shareholders at least all of the Target Fund's investment company taxable income for all taxable periods ending on or before the Closing Date (computed without regard to any deduction for dividends paid), if any, plus the excess of its interest income excludible from gross income under Section 103(a) of the Code, if any, over its deductions disallowed under Sections 265 and 171(a)(2) of the Code for all taxable periods ending on or before the Closing Date and all of its net capital gains realized in all taxable periods ending on or before the Closing Date (after reduction for any available capital loss carry forward).

8.6 The Target Funds shall have received on the Closing Date an opinion from Vedder Price P.C. dated as of the Closing Date, substantially to the effect that:

(a) The Acquiring Fund has been formed as a voluntary association with transferable shares of beneficial interest commonly referred to as a Massachusetts business trust, and

is existing under the laws of the Commonwealth of Massachusetts and, to such counsel's knowledge, has the power as a business trust to own all of its properties and assets and to carry on its business as presently conducted, in each case as described in the definitive joint proxy statement/prospectus as filed with the Commission (the Joint Proxy Statement/Prospectus).

(b) The Acquiring Fund is registered as a closed-end management investment company under the 1940 Act, and, to such counsel's knowledge, such registration under the 1940 Act is in full force and effect.

(c) Assuming that the Acquiring Fund Shares will be issued in accordance with the terms of this Agreement, the Acquiring Fund Shares to be issued and delivered to each Target Fund on behalf of its Target Fund Shareholders as provided by this Agreement are duly authorized and, upon such delivery, will be validly issued and fully paid and non-assessable by the Acquiring Fund, except that, as described in the Joint Proxy Statement/Prospectus, shareholders of the Acquiring Fund may, under certain circumstances, be held personally liable for its obligations, and no shareholder of the Acquiring Fund has, as such holder, any preemptive rights to acquire, purchase or subscribe for any securities of the Acquiring Fund under the Acquiring Fund's Declaration of Trust, By-Laws or Massachusetts law.

(d) The Registration Statement is effective and, to such counsel's knowledge, no stop order under the 1933 Act pertaining thereto has been issued.

(e) To the knowledge of such counsel, no consent, approval, authorization or order of any court or governmental authority of the United States or the Commonwealth of Massachusetts is required for consummation by the Acquiring Fund of the transactions contemplated herein, except as have been obtained.

(f) The execution and delivery of this Agreement by the Acquiring Fund did not, and the consummation by the Acquiring Fund of the transactions contemplated herein will not, violate the Acquiring Fund's Declaration of Trust, Acquiring Fund VRDP Statement or By-Laws (assuming the requisite approval of the Fund's shareholders has been obtained in accordance with its Declaration of Trust, Acquiring Fund VRDP Statement and By-Laws).

Insofar as the opinions expressed above relate to or are dependent upon matters that are governed by the laws of the Commonwealth of Massachusetts, Vedder Price P.C. may rely on the opinion of Bingham McCutchen LLP.

8.7 The Acquiring Fund shall have received on the Closing Date an opinion from Vedder Price P.C. dated as of the Closing Date, substantially to the effect that:

(a) Each Target Fund has been formed as a voluntary association with transferable shares of beneficial interest commonly referred to as a Massachusetts business trust, and is existing under the laws of the Commonwealth of Massachusetts and, to such counsel's knowledge, has the power as a business trust to own all of its properties and assets and to carry on its business as presently conducted, in each case as described in the Joint Proxy Statement/Prospectus.

(b) Each Target Fund is registered as a closed-end management investment company under the 1940 Act, and, to such counsel's knowledge, such registration under the 1940 Act is in full force and effect.

(c) To the knowledge of such counsel, no consent, approval, authorization or order of any court or governmental authority of the United States or the Commonwealth of Massachusetts is required for consummation by the Target Funds of the transactions contemplated herein, except as have been obtained.

(d) With respect to each Target Fund, the execution and delivery of this Agreement by the Target Fund, did not, and the consummation by the Target Fund of the transactions contemplated herein will not, violate the Target Fund's Declaration of Trust, Target Fund VRDP Statement or Target Fund MTP Statement, as applicable, or By-Laws (assuming the requisite approval of the Fund's shareholders has been obtained in accordance with its Declaration of Trust, Target Fund VRDP Statement or Target Fund MTP Statement, as applicable, and By-Laws).

Insofar as the opinions expressed above relate to or are dependent upon matters that are governed by the laws of the Commonwealth of Massachusetts, Vedder Price P.C. may rely on the opinion of Bingham McCutchen LLP.

8.8 With respect to each Reorganization, the Funds participating in such Reorganization shall have received on the Closing Date an opinion of Vedder Price P.C. addressed to the Acquiring Fund and the Target Fund substantially to the effect that for federal income tax purposes:

(a) The transfer of substantially all of the Target Fund's assets to the Acquiring Fund in exchange solely for Acquiring Fund Shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund followed by the distribution to Target Fund Shareholders of all the Acquiring Fund Shares received by the Target Fund in complete liquidation of the Target Fund will constitute a reorganization within the meaning of Section 368(a) of the Code and the Acquiring Fund and the Target Fund will each be a party to a reorganization, within the meaning of Section 368(b) of the Code, with respect to the Reorganization.

(b) No gain or loss will be recognized by the Acquiring Fund upon the receipt of substantially all of the assets of the Target Fund solely in exchange for Acquiring Fund Shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund.

(c) No gain or loss will be recognized by the Target Fund upon the transfer of substantially all of its assets to the Acquiring Fund solely in exchange for Acquiring Fund Shares and the assumption by the Acquiring Fund of substantially all of the liabilities of the Target Fund or upon the distribution (whether actual or constructive) of such Acquiring Fund Shares to Target Fund Shareholders solely in exchange for such shareholders' common and preferred shares of the Target Fund in complete liquidation of the Target Fund.

(d) No gain or loss will be recognized by the Target Fund Shareholders upon the exchange of their Target Fund shares solely for Acquiring Fund Shares in the Reorganization, except with respect to any cash received in lieu of a fractional Acquiring Fund Common Share.

(e) The aggregate basis of the Acquiring Fund Shares received by each Target Fund Shareholder pursuant to the Reorganization (including any fractional Acquiring Fund Common Share to which a Target Fund Common Shareholder would be entitled) will be the same as the aggregate basis of the Target Fund shares exchanged therefor by such shareholder. The holding period of the Acquiring Fund Shares received by each Target Fund Shareholder (including any fractional Acquiring Fund Common Share to which a Target Fund Common Shareholder would be entitled) will include the

period during which the Target Fund shares exchanged therefor were held by such shareholder, provided such Target Fund shares are held as capital assets at the time of the Reorganization.

(f) The basis of the Target Fund's assets transferred to the Acquiring Fund will be the same as the basis of such assets to the Target Fund immediately before the Reorganization. The holding period of the assets of the Target Fund in the hands of the Acquiring Fund will include the period during which those assets were held by the Target Fund.

No opinion will be expressed as to (1) the effect of the Reorganizations on a Target Fund, the Acquiring Fund or any Target Fund Shareholder with respect to any asset (including without limitation any stock held in a passive foreign investment company as defined in Section 1297(a) of the Code) as to which any unrealized gain or loss is required to be recognized under federal income tax principles (i) at the end of a taxable year (or on the termination thereof) or (ii) upon the transfer of such asset regardless of whether such transfer would otherwise be a non-taxable transaction under the Code, (2) any other federal tax issues (except those set forth above) and all state, local or foreign tax issues of any kind.

Such opinion shall be based on customary assumptions and such representations as Vedder Price P.C. may reasonably request of the Funds, and each Target Fund and the Acquiring Fund will cooperate to make and certify the accuracy of such representations. Notwithstanding anything herein to the contrary, neither the Acquiring Fund nor any Target Fund may waive the conditions set forth in this Section 8.8. Insofar as the opinions expressed above relate to or are dependent upon the classification of the Acquiring Fund Preferred Shares as equity securities for U.S. federal income tax purposes, Vedder Price P.C. may rely on the opinions delivered to the Acquiring Fund by Sidley Austin LLP with respect to such issue for the VRDP Shares and K&L Gates LLP with respect to such issue for the MTP Shares.

8.9 The Acquiring Fund shall have obtained written confirmation from the rating agencies then rating the preferred shares of the Funds that (a) consummation of the transactions contemplated by this Agreement will not impair the then current rating assigned by such rating agencies to the existing Acquiring Fund VRDP Shares and (b) the Acquiring Fund Preferred Shares to be issued pursuant to Section 1.1 will be rated by such rating agencies no less than the then current rating assigned by such rating agencies to the Target Fund Preferred Shares exchanged therefor.

ARTICLE IX

EXPENSES

9.1 The expenses incurred in connection with the Reorganizations (whether or not the Reorganizations are consummated) will be allocated among the Funds pro-rata based on the projected relative benefits to each Fund during the first year following the Reorganizations and each Fund shall have accrued such expenses as liabilities at or before the Valuation Time. Reorganization expenses include, without limitation: (a) expenses associated with the preparation and filing of the Registration Statement and other Proxy Materials; (b) postage; (c) printing; (d) accounting fees; (e) legal fees incurred by each Fund; (f) solicitation costs of the transactions; and (g) other related administrative or operational costs.

9.2 Each party represents and warrants to the other parties that there is no person or entity entitled to receive any broker's fees or similar fees or commission payments in connection with the transactions provided for herein.

9.3 Notwithstanding the foregoing, expenses will in any event be paid by the party directly incurring such expenses if and to the extent that the payment by another party of such expenses would result in the disqualification of a Target Fund or the Acquiring Fund, as the case may be, as a RIC.

ARTICLE X

ENTIRE AGREEMENT; SURVIVAL OF WARRANTIES

10.1 The parties agree that no party has made to the other parties any representation, warranty and/or covenant not set forth herein, and that this Agreement constitutes the entire agreement between and among the parties.

10.2 The representations, warranties, and covenants contained in this Agreement or in any document delivered pursuant to or in connection with this Agreement shall not survive the consummation of the transactions contemplated hereunder.

ARTICLE XI

TERMINATION

11.1 This 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 any Vice President without further action by a Target Fund Board or the Acquiring Fund Board. In addition, this Agreement may be terminated at or before the Closing due to:

- (a) a breach by the non-terminating party of any representation, warranty, or agreement contained herein to be performed at or before the Closing, if not cured within 30 days;
- (b) a condition precedent to the obligations of the terminating party that has not been met or waived and it reasonably appears that it will not or cannot be met; or
- (c) a determination by a Target Fund Board or the Acquiring Fund Board that the consummation of the transactions contemplated herein is not in the best interests of its respective Fund involved in the Reorganizations.

11.2 In the event of any such termination, in the absence of willful default, there shall be no liability for damages on the part of the Acquiring Fund Board, any Target Fund Board, the Acquiring Fund, any Target Fund, the Adviser, or any Fund's or Adviser's officers.

ARTICLE XII

AMENDMENTS

12.1 This Agreement may be amended, modified, or supplemented in such manner as may be mutually agreed upon in writing by the officers of each Fund as specifically authorized by each Fund's Board of Trustees; *provided, however*, that following the meeting of the shareholders of the

Funds called by each Fund pursuant to Section 5.2 of this Agreement, 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 the Target Fund Shareholders under this Agreement to the detriment of such shareholders without their further approval.

ARTICLE XIII

HEADINGS; COUNTERPARTS; GOVERNING LAW; ASSIGNMENT; LIMITATION OF LIABILITY

- 13.1 The article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.
- 13.2 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.
- 13.3 This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.
- 13.4 This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns, and no assignment or transfer hereof or of any rights or obligations hereunder shall be made by any party without the written consent of the other parties. Nothing herein expressed or implied is intended or shall be construed to confer upon or give any person, firm, or corporation, other than the parties hereto and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.
- 13.5 It is expressly agreed that the obligations of each Fund hereunder shall not be binding upon any of the Board members, shareholders, nominees, officers, agents, or employees of a Fund personally, but shall bind only the property of a Fund, as provided in each Fund's Declaration of Trust, which is on file with the Secretary of the Commonwealth of Massachusetts. The execution and delivery of this Agreement have been authorized by each Fund's Board of Trustees, and this Agreement has been signed by authorized officers of each Fund acting as such. Neither the authorization by such Board members nor the execution and delivery by such officers shall be deemed to have been made by any of them individually or to impose any liability on any of them personally, but shall bind only the property of a Fund as provided in its Declaration of Trust.
- 13.6 It is understood and agreed that the use of a single agreement is for administrative convenience only and shall constitute a separate agreement between each Target Fund and the Acquiring Fund, as if each party had executed a separate document. No Fund shall have any liability for the obligations of any other Fund, and the liabilities of each Fund shall be several and not joint.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have duly executed this Agreement, all as of the date first written above.

**NUVEEN PENNSYLVANIA INVESTMENT
QUALITY MUNICIPAL FUND**

By:
Name: Kevin J. McCarthy
Title: Vice President and Secretary

ACKNOWLEDGED:

By:
Name: Virginia O Neal

**NUVEEN PENNSYLVANIA PREMIUM
INCOME MUNICIPAL FUND 2**

By:
Name: Kevin J. McCarthy
Title: Vice President and Secretary

ACKNOWLEDGED:

By:
Name: Virginia O Neal

**NUVEEN PENNSYLVANIA DIVIDEND
ADVANTAGE MUNICIPAL FUND**

By:
Name: Kevin J. McCarthy
Title: Vice President and Secretary

ACKNOWLEDGED:

By:
Name: Virginia O Neal

**NUVEEN PENNSYLVANIA DIVIDEND
ADVANTAGE MUNICIPAL FUND 2**

By:
Name: Kevin J. McCarthy
Title: Vice President and Secretary

ACKNOWLEDGED:

By:
Name: Virginia O Neal

A-19

EXHIBIT A

| Target Fund | Target Fund Preferred Shares Outstanding | Acquiring Fund Preferred Shares to be Issued in the Reorganizations |
|----------------------|--|--|
| Premium Income | VRDP Shares, Series 2 \$100,000 liquidation value per share Final Mandatory Redemption Date: December 1, 2042 | VRDP Shares, Series 3 \$100,000 liquidation value per share Final Mandatory Redemption Date: December 1, 2042 |
| Dividend Advantage | MTP Shares, 2.10% Series 2015 Fixed Dividend Rate: 2.10% Term Redemption Date: November 1, 2015 | MTP Shares, 2.10% Series 2015 Fixed Dividend Rate: 2.10% Term Redemption Date: November 1, 2015 |
| Dividend Advantage 2 | MTP Shares, 2.15% Series 2015 Fixed Dividend Rate: 2.15% Term Redemption Date: November 1, 2015 | MTP Shares, 2.15% Series 2015 Fixed Dividend Rate: 2.15% Term Redemption Date: November 1, 2015 |

A-20

APPENDIX B

FINANCIAL HIGHLIGHTS

Information contained in the tables below under the headings "Per Share Operating Performance" and "Ratios/Supplemental Data" shows the operating performance for the life of the Fund.

Acquiring Fund

The following financial highlights table is intended to help you understand the Fund's financial performance. Certain information reflects financial results from a single Fund common share outstanding throughout each period. The information in the financial highlights is derived from the Fund's financial statements. The Fund's annual financial statements as of April 30, 2013, including the financial highlights for each of the five years in the period then ended, have been audited by Ernst & Young LLP, independent registered public accounting firm. The Annual Reports may be obtained without charge by calling (800) 257-8787.

| Per Share Operating Performance | Year Ended April 30 | | | | | | | Year Ended June 30 | | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007(e) | 2006 | 2005 | 2004 | 2003 |
| Beginning Common Share Net Asset Value | \$ 15.78 | \$ 14.11 | \$ 14.82 | \$ 13.53 | \$ 14.39 | \$ 15.19 | \$ 14.71 | \$ 15.73 | \$ 14.92 | \$ 15.91 | \$ 14.70 |
| Investment Operations: | | | | | | | | | | | |
| Net Investment Income (Loss) | 0.80 | 0.90 | 0.93 | 0.96 | 0.96 | 0.95 | 0.77 | 0.90 | 0.92 | 0.98 | 1.02 |
| Net Realized/Unrealized Gain (Loss) | 0.54 | 1.70 | (0.73) | 1.16 | (0.94) | (0.81) | 0.47 | (0.87) | 1.05 | (0.98) | 1.19 |
| Distributions from Net Investment Income to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | (0.01) | (0.03) | (0.20) | (0.29) | (0.23) | (0.21) | (0.12) | (0.06) | (0.09) |
| Distributions from Accumulated Net Realized Gains to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.02) | (0.01) | 0.00 | 0.00 |
| Total | 1.34 | 2.60 | 0.19 | 2.09 | (0.18) | (0.15) | 1.01 | (0.20) | 1.84 | (0.06) | 2.12 |
| Less Distributions: | | | | | | | | | | | |
| From Net Investment Income to Common Shareholders | (0.91) | (0.93) | (0.90) | (0.80) | (0.68) | (0.66) | (0.53) | (0.71) | (0.89) | (0.92) | (0.91) |
| From Accumulated Net Realized Gains to Common Shareholders | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.11) | (0.14) | (0.01) | 0.00 |
| Total | (0.91) | (0.93) | (0.90) | (0.80) | (0.68) | (0.66) | (0.53) | (0.82) | (1.03) | (0.93) | (0.91) |
| Discount from Common Shares Repurchased and Retired | 0.00 | 0.00 | 0.00 | 0.00* | 0.00* | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Ending Common Share Net Asset Value | \$ 16.21 | \$ 15.78 | \$ 14.11 | \$ 14.82 | \$ 13.53 | \$ 14.39 | \$ 15.19 | \$ 14.71 | \$ 15.73 | \$ 14.92 | \$ 15.91 |

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| | | | | | | | | | | | |
|--|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Ending Market Value | \$ 15.24 | \$ 15.67 | \$ 13.09 | \$ 13.64 | \$ 11.34 | \$ 13.10 | \$ 14.01 | \$ 12.95 | \$ 15.16 | \$ 13.58 | \$ 16.01 |
| Total Returns: | | | | | | | | | | | |
| Based on Market Value(b) | 2.97% | 27.48% | 2.43% | 27.87% | (7.99)% | (1.78)% | 12.41% | (9.47)% | 19.53% | (9.73)% | 11.98% |
| Based on Common Share Net Asset Value(b) | | | | | | | | | | | |
| | 8.50% | 18.88% | 1.27% | 15.74% | (1.01)% | (0.92)% | 6.89% | (1.34)% | 12.67% | (0.38)% | 14.79% |
| Ratios/Supplemental Data | | | | | | | | | | | |
| Ending Net Assets | | | | | | | | | | | |
| Applicable to Common Shares (000) | \$ 261,195 | \$ 253,937 | \$ 226,905 | \$ 238,368 | \$ 218,353 | \$ 232,528 | \$ 247,644 | \$ 239,718 | \$ 256,365 | \$ 243,287 | \$ 258,924 |
| Ratios to Average Net Assets Applicable to Common Shares(c) | | | | | | | | | | | |
| Expenses(d) | 1.80% | 1.63% | 1.60% | 1.23% | 1.50% | 1.65% | 1.54%** | 1.23% | 1.23% | 1.23% | 1.27% |
| Net Investment Income (Loss) | 4.98% | 6.00% | 6.38% | 6.72% | 7.23% | 6.48% | 6.06%** | 5.87% | 5.96% | 6.38% | 6.59% |
| Portfolio Turnover Rate | 17% | 18% | 8% | 6% | 3% | 20% | 16% | 20% | 18% | 17% | 11% |
| Auction Rate | | | | | | | | | | | |
| Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | \$ | \$ | \$ | \$ 111,750 | \$ 111,750 | \$ 132,000 | \$ 132,000 | \$ 132,000 | \$ 132,000 | \$ 132,000 | \$ 132,000 |
| Asset Coverage Per \$25,000 Share | \$ | \$ | \$ | \$ 78,326 | \$ 73,849 | \$ 69,039 | \$ 71,902 | \$ 70,401 | \$ 73,554 | \$ 71,077 | \$ 74,039 |
| Variable Rate Demand Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | \$ 112,500 | \$ 112,500 | \$ 112,500 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Asset Coverage Per \$100,000 Share | \$ 332,174 | \$ 325,722 | \$ 301,693 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

B-1

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or Variable Rate Demand Preferred Shares, where applicable.
- (d) The expense ratios reflect, among other things, all interest expense and other costs related to Variable Rate Demand Preferred Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, both as described in Footnote 1 General Information and Significant Accounting Policies, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, in the most recent shareholder report, as follows:

| | |
|---------|-------|
| 2013 | 0.72% |
| 2012 | 0.61 |
| 2011 | 0.55 |
| 2010 | 0.07 |
| 2009 | 0.19 |
| 2008 | 0.38 |
| 2007(e) | 0.29 |
| 2006 | |
| 2005 | |
| 2004 | |
| 2003 | |

- (e) For the ten months ended April 30, 2007.
- * Rounds to less than \$.01 per share.
- ** Annualized.

Target Funds

The following financial highlights table is intended to help you understand each Target Fund's financial performance. Certain information reflects financial results from a single Fund common share outstanding throughout each period. Except where noted, the information in the financial highlights is derived from the Funds' financial statements. The Funds' annual financial statements as of April 30, 2013, including the financial highlights for each of the five years in the period then ended, have been audited by Ernst & Young LLP, independent registered public accounting firm. The Funds' Annual Report may be obtained without charge by calling (800) 257-8787.

| Premium Income | Year Ended April 30 | | | | | Year Ended June 30 | | | | | |
|---|---------------------|----------|----------|----------|----------|--------------------|----------|------------|----------|----------|----------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007(e) | 2006 | 2005 | 2004 | 2003 |
| Beginning Common Share Net Asset Value | \$ 15.14 | \$ 13.52 | \$ 14.11 | \$ 12.72 | \$ 13.74 | \$ 14.70 | \$ 14.22 | \$ 15.32 | \$ 14.74 | \$ 15.65 | \$ 14.83 |
| Investment Operations: | | | | | | | | | | | |
| Net Investment Income (Loss) | 0.77 | 0.83 | 0.85 | 0.91 | 0.91 | 0.90 | 0.74 | 0.89 | 0.92 | 0.98 | 1.04 |
| Net Realized/Unrealized Gain (Loss) | 0.41 | 1.63 | (0.59) | 1.28 | (1.12) | (0.94) | 0.50 | (0.80) | 0.88 | (0.77) | 0.79 |
| Distributions from Net Investment Income to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | (0.01) | (0.03) | (0.19) | (0.26) | (0.21) | (0.18) | (0.10) | (0.05) | (0.08) |
| Distributions from Accumulated Net Realized Gains to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.02) | 0.00 | (0.03) | (0.01) | (0.01) | 0.00 |
| Total | 1.18 | 2.46 | 0.25 | 2.16 | (0.40) | (0.32) | 1.03 | (0.12) | 1.69 | 0.15 | 1.75 |
| Less Distributions: | | | | | | | | | | | |
| From Net Investment Income to Common Shareholders | (0.84) | (0.84) | (0.84) | (0.77) | (0.62) | (0.61) | (0.55) | (0.77) | (0.93) | (0.95) | (0.93) |
| From Accumulated Net Realized Gains to Common Shareholders | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | (0.04) | 0.00 | (0.21) | (0.18) | (0.11) | 0.00 |
| Total | (0.84) | (0.84) | (0.84) | (0.77) | (0.62) | (0.65) | (0.55) | (0.98) | (1.11) | (1.06) | (0.93) |
| Discount from Common Shares Repurchased and Retired | 0.00 | 0.00 | 0.00 | 0.00* | 0.00* | 0.01 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Ending Common Share Net Asset Value | \$ 15.48 | \$ 15.14 | \$ 13.52 | \$ 14.11 | \$ 12.72 | \$ 13.74 | \$ 14.70 | \$ 14.22 | \$ 15.32 | \$ 14.74 | \$ 15.65 |
| Ending Market Value | \$ 14.64 | \$ 14.51 | \$ 12.29 | \$ 12.91 | \$ 10.60 | \$ 12.30 | \$ 13.67 | \$ 12.96 | \$ 15.16 | \$ 13.84 | \$ 16.00 |
| Total Returns: | | | | | | | | | | | |
| Based on Market Value(b) | 6.68% | 25.53% | 1.48% | 29.70% | (8.43)% | (5.26)% | 9.83% | (8.42)% | 17.79% | (7.22)% | 15.09% |
| Based on Common Share Net Asset Value(b) | 7.86% | 18.63% | 1.75% | 17.35% | (2.65)% | (2.06)% | 7.31% | (0.80)%*** | 11.80% | 0.94% | 12.09% |

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Ratios/Supplemental Data

| | | | | | | | | | | | |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Ending Net Assets Applicable to Common Shares (000) | \$ 241,440 | \$ 236,039 | \$ 210,839 | \$ 220,113 | \$ 198,739 | \$ 215,252 | \$ 232,650 | \$ 225,121 | \$ 242,373 | \$ 232,455 | \$ 246,604 |
| Ratios to Average Net Assets Applicable to Common Shares(c) Expenses(d) | 1.79% | 1.59% | 1.56% | 1.21% | 1.35% | 1.55% | 1.40%** | 1.20% | 1.19% | 1.18% | 1.20% |
| Net Investment Income (Loss) | 5.00% | 5.75% | 6.13% | 6.67% | 7.28% | 6.36% | 6.08%** | 6.01% | 6.09% | 6.45% | 6.76% |
| Portfolio Turnover Rate | 16% | 8% | 8% | 5% | 6% | 27% | 15% | 18% | 22% | 16% | 19% |
| Auction Rate Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | \$ | \$ | \$ | \$ 99,275 | \$ 99,275 | \$ 118,100 | \$ 118,100 | \$ 118,100 | \$ 118,100 | \$ 118,100 | \$ 118,100 |
| Asset Coverage Per \$25,000 Share | \$ | \$ | \$ | \$ 80,430 | \$ 75,047 | \$ 70,566 | \$ 74,249 | \$ 72,655 | \$ 76,307 | \$ 74,207 | \$ 77,202 |
| Variable Rate Demand Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | \$ 105,000 | \$ 100,000 | \$ 100,000 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Asset Coverage Per \$100,000 Share | \$ 329,942 | \$ 336,039 | \$ 310,839 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

B-3

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or Variable Rate Demand Preferred Shares, where applicable.
- (d) The expense ratios reflect, among other things, all interest expense and other costs related to Variable Rate Demand Preferred Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, both as described in Footnote 1 - General Information and Significant Accounting Policies, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, in the most recent shareholder report, as follows:

| | |
|---------|-------|
| 2013 | 0.71% |
| 2012 | 0.57 |
| 2011 | 0.52 |
| 2010 | 0.05 |
| 2009 | 0.04 |
| 2008 | 0.27 |
| 2007(e) | 0.19 |
| 2006 | |
| 2005 | |
| 2004 | |
| 2003 | |
| 2002 | |

- (e) For the ten months ended April 30, 2007.

* Rounds to less than \$.01 per share.

** Annualized.

*** During the fiscal year ended June 30, 2006, the Fund received a payment from the Adviser of \$27,169, to offset losses realized on the disposal of investments purchased in violation of the Fund's investment restrictions. This reimbursement did not have an impact on the Fund's Total Return

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| Dividend Advantage | Year Ended April 30 | | | | | | Year Ended June 30 | | | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007(f) | 2006 | 2005 | 2004 | 2003 |
| Beginning Common Share Net Asset Value | \$ 15.44 | \$ 14.00 | \$ 14.73 | \$ 13.09 | \$ 14.47 | \$ 15.36 | \$ 14.95 | \$ 15.93 | \$ 15.32 | \$ 16.25 | \$ 14.96 |
| Investment Operations: | | | | | | | | | | | |
| Net Investment Income (Loss) | 0.68 | 0.74 | 0.85 | 0.96 | 0.97 | 0.97 | 0.82 | 0.98 | 0.99 | 1.04 | 1.08 |
| Net Realized/Unrealized Gain (Loss) | 0.54 | 1.62 | (0.65) | 1.55 | (1.47) | (0.84) | 0.46 | (0.78) | 1.06 | (0.78) | 1.29 |
| Distributions from Net Investment Income to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | (0.01) | (0.03) | (0.18) | (0.25) | (0.21) | (0.19) | (0.10) | (0.05) | (0.07) |
| Distributions from Accumulated Net Realized Gains to Auction Rate Preferred Shareholders(a) | 0.00 | 0.00 | 0.00 | (0.01) | 0.00 | (0.02) | 0.00 | (0.01) | (0.02) | (0.01) | (0.01) |
| Total | 1.22 | 2.36 | 0.19 | 2.47 | (0.68) | (0.14) | 1.07 | 0.00 | 1.93 | 0.20 | 2.29 |
| Less Distributions: | | | | | | | | | | | |
| From Net Investment Income to Common Shareholders | (0.78) | (0.86) | (0.87) | (0.79) | (0.70) | (0.70) | (0.66) | (0.88) | (0.96) | (0.96) | (0.92) |
| From Accumulated Net Realized Gains to Common Shareholders | (0.04) | (0.06) | (0.05) | (0.04) | 0.00 | (0.05) | 0.00 | (0.10) | (0.36) | (0.17) | (0.10) |
| Total | (0.82) | (0.92) | (0.92) | (0.83) | (0.70) | (0.75) | (0.66) | (0.98) | (1.32) | (1.13) | (1.02) |
| Discount from Common Shares Repurchased and Retired | 0.00 | 0.00 | 0.00 | 0.00* | 0.00* | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Offering Costs and Preferred Share Underwriting Discounts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.02 |
| Ending Common Share Net Asset Value | \$ 15.84 | \$ 15.44 | \$ 14.00 | \$ 14.73 | \$ 13.09 | \$ 14.47 | \$ 15.36 | \$ 14.95 | \$ 15.93 | \$ 15.32 | \$ 16.25 |
| Ending Market Value | \$ 14.51 | \$ 14.42 | \$ 12.85 | \$ 13.77 | \$ 11.31 | \$ 13.61 | \$ 15.70 | \$ 15.10 | \$ 16.14 | \$ 14.39 | \$ 16.46 |
| Total Returns: | | | | | | | | | | | |
| Based on Market Value(b) | 6.23% | 19.96% | (0.27)% | 29.85% | (11.67)% | (8.46)% | 8.40% | (0.56)% | 21.84% | (5.95)% | 18.13% |
| Based on Common Share Net Asset Value(b) | 8.02% | 17.37% | 1.23% | 19.29% | (4.57)% | (0.87)% | 7.22% | (0.01)% | 13.02% | 1.30% | 15.95% |
| Ratios/Supplemental Data | | | | | | | | | | | |
| Ending Net Assets Applicable to Common Shares (000) | \$ 52,623 | \$ 51,290 | \$ 46,521 | \$ 48,934 | \$ 43,587 | \$ 48,211 | \$ 51,160 | \$ 49,660 | \$ 52,712 | \$ 50,549 | \$ 53,591 |
| Ratios to Average Net Assets Applicable to Common Shares | | | | | | | | | | | |

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| | | | | | | | | | | | |
|--|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Before Reimbursement(d) | | | | | | | | | | | |
| Expenses(e) | 2.39% | 2.55% | 1.94% | 1.26% | 1.37% | 1.39% | 1.33%** | 1.25% | 1.23% | 1.21% | 1.23% |
| Net Investment | | | | | | | | | | | |
| Income (Loss) | 4.28% | 4.98% | 5.78% | 6.66% | 7.17% | 6.26% | 5.99%** | 5.90% | 5.82% | 6.15% | 6.44% |
| Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) | | | | | | | | | | | |
| Expenses(e) | N/A | N/A | 1.87% | 1.11% | 1.14% | 1.09% | 0.96%** | 0.82% | 0.79% | 0.77% | 0.80% |
| Net Investment | | | | | | | | | | | |
| Income (Loss) | N/A | N/A | 5.85% | 6.81% | 7.39% | 6.55% | 6.36%** | 6.33% | 6.27% | 6.59% | 6.87% |
| Portfolio Turnover Rate | | | | | | | | | | | |
| | 14% | 20% | 8% | 5% | 4% | 20% | 11% | 12% | 13% | 10% | 13% |
| Auction Rate | | | | | | | | | | | |
| Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | | | | | | | | | | | |
| | \$ | \$ | \$ | \$ 22,500 | \$ 22,500 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 | \$ 25,000 |
| Asset Coverage Per \$25,000 Share | | | | | | | | | | | |
| | \$ | \$ | \$ | \$ 79,372 | \$ 73,430 | \$ 73,211 | \$ 76,160 | \$ 74,660 | \$ 77,712 | \$ 75,549 | \$ 78,591 |
| MuniFund Term Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | | | | | | | | | | | |
| | \$ 23,190 | \$ 23,190 | \$ 23,190 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Series | | | | | | | | | | | |
| | 2015 | 2015 | 2015 | | | | | | | | |
| Ending Market Value Per Share | | | | | | | | | | | |
| | \$ 10.05 | \$ 10.07 | \$ 9.65 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Average Market Value Per Share | | | | | | | | | | | |
| | \$ 10.05 | \$ 9.95 | \$ 9.75**** | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Asset Coverage Per \$10 Share | | | | | | | | | | | |
| | \$ 32.69 | \$ 32.12 | \$ 30.06 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

B-5

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011, the Adviser is no longer reimbursing the Fund for any fees or expenses.
- (d) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or MuniFund Term Preferred Shares, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MuniFund Term Preferred Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, in the most recent shareholder report, as follows:

| | |
|---------|-------|
| 2013 | 1.19% |
| 2012 | 1.28 |
| 2011 | 0.76 |
| 2010 | 0.02 |
| 2009 | |
| 2008 | 0.11 |
| 2007(f) | 0.06 |
| 2006 | |
| 2005 | |
| 2004 | |
| 2003 | |

- (f) For the ten months ended April 30, 2007.
- N/A Fund no longer has a contractual reimbursement agreement with the Adviser.
- * Rounds to less than \$.01 per share.
 - ** Annualized.
 - *** For the period October 4, 2012 (first issuance date of shares) through April 30, 2011.

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| Dividend Advantage 2 | Year Ended April 30 | | | | | | Year Ended June 30 | | | | |
|---|---------------------|---------------|---------------|---------------|---------------|---------------|--------------------|---------------|---------------|---------------|---------------|
| | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 | 2007(f) | 2006 | 2005 | 2004 | 2003 |
| Beginning Common Share Net Asset Value | \$ 15.18 | \$ 14.08 | \$ 14.74 | \$ 13.42 | \$ 14.49 | \$ 15.34 | \$ 14.93 | \$ 15.89 | \$ 14.87 | \$ 15.90 | \$ 14.64 |
| Investment Operations: | | | | | | | | | | | |
| Net Investment Income (Loss) | 0.71 | 0.79 | 0.89 | 0.97 | 0.99 | 0.99 | 0.83 | 0.98 | 0.97 | 0.98 | 1.00 |
| Net Realized/ Unrealized Gain (Loss) | 0.53 | 1.26 | (0.60) | 1.27 | (1.17) | (0.80) | 0.44 | (0.85) | 1.08 | (0.87) | 1.30 |
| Distributions from Net Investment Income to Auction Rate Preferred Shareholders(a) | | | | | | | | | | | |
| | 0.00 | 0.00 | (0.01) | (0.02) | (0.19) | (0.26) | (0.21) | (0.19) | (0.11) | (0.05) | (0.09) |
| Distributions from Accumulated Net Realized Gains to Auction Rate Preferred Shareholders(a) | | | | | | | | | | | |
| | 0.00 | 0.00 | 0.00 | (0.01) | 0.00* | (0.02) | (0.01) | (0.01) | | (0.01) | 0.00 |
| Total | 1.24 | 2.05 | 0.28 | 2.21 | (0.37) | (0.09) | 1.05 | (0.07) | 1.94 | 0.05 | 2.21 |
| Less Distributions: | | | | | | | | | | | |
| From Net Investment Income to Common Shareholders | | | | | | | | | | | |
| | (0.86) | (0.89) | (0.89) | (0.82) | (0.70) | (0.71) | (0.62) | (0.79) | (0.88) | (0.92) | (0.92) |
| From Accumulated Net Realized Gains to Common Shareholders | | | | | | | | | | | |
| | (0.03) | (0.06) | (0.05) | (0.07) | 0.00* | (0.05) | (0.02) | (0.10) | (0.04) | (0.16) | (0.03) |
| Total | (0.89) | (0.95) | (0.94) | (0.89) | (0.70) | (0.76) | (0.64) | (0.89) | (0.92) | (1.08) | (0.95) |
| Ending Common Share Net Asset Value | \$ 15.53 | \$ 15.18 | \$ 14.08 | \$ 14.74 | \$ 13.42 | \$ 14.49 | \$ 15.34 | \$ 14.93 | \$ 15.89 | \$ 14.87 | \$ 15.90 |
| Ending Market Value | \$ 14.26 | \$ 14.90 | \$ 13.00 | \$ 14.19 | \$ 11.45 | \$ 13.40 | \$ 15.18 | \$ 14.16 | \$ 14.90 | \$ 13.48 | \$ 15.84 |
| Total Returns: | | | | | | | | | | | |
| Based on Market Value(b) | | | | | | | | | | | |
| | 1.49% | 22.71% | (2.00)% | 32.47% | (9.16)% | (6.81)% | 11.88% | 0.88% | 17.63% | (8.58)% | 14.38% |
| Based on Common Share Net Asset Value(b) | | | | | | | | | | | |
| | 8.31% | 15.01% | 1.89% | 16.80% | (2.33)% | (0.60)% | 7.14% | (0.46)% | 13.37% | 0.29% | 15.48% |
| Ratios/Supplemental Data | | | | | | | | | | | |
| Ending Net Assets Applicable to Common Shares (000) | | | | | | | | | | | |
| | \$ 57,891 | \$ 56,579 | \$ 52,470 | \$ 54,920 | \$ 49,993 | \$ 53,997 | \$ 57,142 | \$ 55,597 | \$ 59,174 | \$ 55,370 | \$ 59,202 |
| Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(d) | | | | | | | | | | | |
| Expenses(e) | 2.41% | 2.54% | 1.88% | 1.30% | 1.37% | 1.40% | 1.33%** | 1.24% | 1.23% | 1.24% | 1.25% |
| Net Investment Income (Loss) | 4.57% | 5.30% | 5.94% | 6.61% | 7.07% | 6.29% | 6.03%** | 5.93% | 5.80% | 5.95% | 6.07% |
| Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) | | | | | | | | | | | |
| Expenses(e) | N/A | 2.47% | 1.74% | 1.08% | 1.06% | 1.02% | 0.89%** | 0.79% | 0.79% | 0.79% | 0.81% |
| Net Investment Income (Loss) | N/A | 5.37% | 6.08% | 6.83% | 7.38% | 6.66% | 6.47%** | 6.38% | 6.24% | 6.39% | 6.50% |
| Portfolio Turnover Rate | 25% | 11% | 7% | 5% | 4% | 27% | 13% | 13% | 8% | 4% | 13% |
| Auction Rate Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) | | | | | | | | | | | |
| | \$ | \$ | \$ | \$ 23,000 | \$ 23,000 | \$ 28,500 | \$ 28,500 | \$ 28,500 | \$ 28,500 | \$ 28,500 | \$ 28,500 |

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| | | | | | | | | | | | |
|--|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Asset Coverage Per \$25,000 Share | \$ | \$ | \$ | \$ 84,696 | \$ 79,340 | \$ 72,366 | \$ 75,124 | \$ 73,769 | \$ 76,907 | \$ 73,570 | \$ 76,932 |
| MuniFund Term Preferred Shares at End of Period: | | | | | | | | | | | |
| Aggregate Amount Outstanding (000) Series | \$ 24,550 | \$ 24,550 | \$ 24,550 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| | 2015 | 2015 | 2015 | | | | | | | | |
| Ending Market Value Per Share | \$ 10.03 | \$ 10.01 | \$ 9.75 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Average Market Value Per Share | \$ 10.05 | \$ 9.96 | \$ 9.68*** | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Asset Coverage Per \$10 Share | \$ 33.58 | \$ 33.05 | \$ 31.37 | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |

B-7

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) After expense reimbursement from the Adviser, where applicable. As of March 31, 2012, the Adviser is no longer reimbursing the Fund for any fees or expenses.
- (d) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares and/or MuniFund Term Preferred Shares, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MuniFund Term Preferred Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, both as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, in the most recent shareholder report, as follows:

| | |
|---------|-------|
| 2013 | 1.21% |
| 2012 | 1.28 |
| 2011 | 0.71 |
| 2010 | 0.08 |
| 2009 | 0.01 |
| 2008 | |
| 2007(f) | |
| 2006 | |
| 2005 | |
| 2004 | |

- (f) For the ten months ended April 30, 2007.
- N/A Fund no longer has a contractual reimbursement agreement with the Adviser.
- * Rounds to less than \$.01 per share.
 - ** Annualized.
 - *** For the period October 27, 2010 (first issuance date of shares) through April 30, 2011.

APPENDIX C

BENEFICIAL OWNERSHIP

Beneficial Ownership

The following table sets forth for each Board Member and Board Member Nominee the dollar range of equity securities beneficially owned in each Fund and in all Nuveen funds overseen by such Board Member or Board Member Nominee as of June 30, 2013.

Dollar Range of Equity Securities

| Board Member/Nominee ⁽²⁾ | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 | Family of Investment Companies ⁽¹⁾ |
|---|----------------|----------------|--------------------|----------------------|---|
| Board Members/Nominees who are not interested persons of the Funds | | | | | |
| Robert P. Bremner | | | | | over \$ 100,000 |
| Jack B. Evans | | | | | over \$ 100,000 |
| William C. Hunter | | | | | over \$ 100,000 |
| David J. Kundert | | | | | over \$ 100,000 |
| William J. Schneider | | | | | over \$ 100,000 |
| Judith M. Stockdale | | | | | over \$ 100,000 |
| Carole E. Stone | | | | | over \$ 100,000 |
| Virginia L. Stringer | | | | | over \$ 100,000 |
| Terence J. Toth | | | | | over \$ 100,000 |
| Board Member who is an interested person of the Funds | | | | | |
| John P. Amboian | | | | | over \$ 100,000 |

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

(2) Board Members Hunter, Schneider, Stockdale, Stone and Stringer are Board Member Nominees for re-election at the Annual Meeting, as described in the Joint Proxy Statement/Prospectus.

The following table sets forth for each Board Member and Board Member Nominee individually and for the Board Members, Board Member Nominees and officers as a group the amount of shares beneficially owned in each Fund as of June 30, 2013. The information as to beneficial ownership is based on statements furnished by each Board Member, Board Member Nominee and officer.

Fund Shares Owned By Board Members And Officers⁽¹⁾

| Board Member/Nominee | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 |
|---|----------------|----------------|--------------------|----------------------|
| Board Members/Nominees who are not interested persons of the Funds | 0 | 0 | 0 | 0 |
| Robert P. Bremner | 0 | 0 | 0 | 0 |
| Jack B. Evans | 0 | 0 | 0 | 0 |
| William C. Hunter | 0 | 0 | 0 | 0 |
| David J. Kundert | 0 | 0 | 0 | 0 |
| William J. Schneider | 0 | 0 | 0 | 0 |
| Judith M. Stockdale | 0 | 0 | 0 | 0 |
| Carole E. Stone | 0 | 0 | 0 | 0 |
| Virginia L. Stringer | 0 | 0 | 0 | 0 |
| Terence J. Toth | 0 | 0 | 0 | 0 |
| Board Member who is an interested person of the Funds | | | | |
| John P. Amboian | 0 | 0 | 0 | 0 |
| All Board Members and Officers as a Group | 0 | 0 | 0 | 0 |

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

APPENDIX D

NUMBER OF BOARD AND COMMITTEE MEETINGS HELD DURING

EACH FUND'S LAST FISCAL YEAR

| Fund | Regular Board Meeting | Special Board Meeting | Executive Committee Meeting | Dividend Committee Meeting | Compliance, Risk Management and Regulatory Oversight Committee Meeting | Audit Committee Meeting | Nominating and Governance Committee Meeting | Closed-End Fund Committee Meeting |
|----------------------|------------------------------|------------------------------|------------------------------------|-----------------------------------|---|--------------------------------|--|--|
| Acquiring Fund | 5 | 4 | 0 | 4 | 5 | 4 | 6 | 4 |
| Premium Income | 5 | 4 | 0 | 4 | 5 | 4 | 6 | 4 |
| Dividend Advantage | 5 | 4 | 0 | 4 | 5 | 4 | 6 | 4 |
| Dividend Advantage 2 | 5 | 4 | 0 | 4 | 5 | 4 | 6 | 4 |

D-1

APPENDIX E

NUVEEN FUND BOARD

AUDIT COMMITTEE CHARTER

I. Organization and Membership

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

II. Statement of Policy, Purpose and Processes

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

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

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

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

Responsibilities

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

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

The Audit Committee is responsible for the following:

With respect to Fund financial statements:

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

Funds' selection or application of accounting principles and any major issues as to the adequacy of the Funds' internal controls and any special audit steps adopted in light of material control deficiencies; and (b) analyses prepared by Fund management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.

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

With respect to the independent auditors:

1. Selecting, appointing, retaining or replacing the independent auditors, subject, if applicable, only to Board and shareholder ratification; and compensating, evaluating and overseeing the work of the independent auditor (including the resolution of disagreements between Fund management and the independent auditor regarding financial reporting).
2. Meeting with the independent auditors and Fund management to review the scope, fees, audit plans and staffing for the audit, for the current year. At the conclusion of the audit, reviewing such audit results, including the independent auditors' evaluation of the Funds' financial and internal controls, any comments or recommendations of the independent auditors, any audit problems or difficulties and management's response, including any restrictions on the scope of the independent auditor's activities or on

access to requested information, any significant disagreements with management, any accounting adjustments noted or proposed by the auditor but not made by the Fund, any communications between the audit team and the audit firm's national office regarding auditing or accounting issues presented by the engagement, any significant changes required from the originally planned audit programs and any adjustments to the financial statements recommended by the auditors.

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

8. Taking, or recommending that the Board take, appropriate action to oversee the independence of the outside auditor.

With respect to any internal auditor:

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

With respect to pricing and valuation oversight:

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

adequacy of the Pricing Procedures, eliciting any recommendations for improvements of such procedures or other Valuation Matters, and assessing the possible resolutions of issues regarding Valuation Matters brought to its attention.

8. Performing any special review, investigations or oversight responsibilities relating to Valuation as requested by the Board of Directors/Trustees.
9. Investigating or initiating an investigation of reports of improprieties or suspected improprieties in connection with the Fund's policies and procedures relating to Valuation Matters not otherwise assigned to another Board committee.

Other responsibilities:

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

10. Undertaking an annual review of the performance of the Audit Committee.

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

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

APPENDIX F

FACTORS AFFECTING MUNICIPAL SECURITIES IN PENNSYLVANIA

Without intending to be complete, the information set forth below briefly summarizes some of the factors affecting the financial situation in the Commonwealth of Pennsylvania (referred to herein as the Commonwealth, the state, or Pennsylvania). This information is derived from sources that are generally available to investors and is based in part on information obtained from various agencies in the Commonwealth. No independent verification has been made of the following information.

The information is intended to give a recent historical description and is not intended to indicate future or continuing trends in the financial or other positions of the Commonwealth. It should be noted that the creditworthiness of obligations issued by local Pennsylvania issuers may be unrelated to the creditworthiness of obligations issued by the Commonwealth, and there is no requirement on the part of the Commonwealth to make payment on such local obligations in the event of default.

The Fund is susceptible to political, economic and regulatory factors affecting issuers of Pennsylvania municipal securities. There can be no assurance that the Commonwealth will not experience a decline in economic conditions, or that portions of the Pennsylvania municipal securities purchased by the Fund will not be affected by such a decline.

State Economy

General. The Commonwealth is one of the most populous states, ranking sixth behind California, Texas, New York, Florida and Illinois. Pennsylvania is an established state with a diversified economy. Pennsylvania had been historically identified as a heavy industrial state. That reputation has changed over the last thirty years as the coal, steel and railroad industries declined. The Commonwealth's business environment readjusted with a more diversified economic base. This economic readjustment was a direct result of a long-term shift in jobs, investment and workers away from the northeast part of the nation. Currently, the major sources of growth in Pennsylvania are in the service sector, including trade, medical, health services, education and financial institutions.

Pennsylvania's agricultural industries remain an important component of the Commonwealth's economic structure, accounting for more than \$5.4 billion in crop and livestock products annually. In 2011, agribusiness and food related industries reached export sales surpassing \$1.3 billion in economic activity. Over 63,000 farms form the backbone of the State's agricultural economy. Farmland in Pennsylvania includes over four million acres of harvested cropland and three million acres of pasture and farm woodlands nearly one-third of the Commonwealth's total land area. Agricultural diversity in the Commonwealth is demonstrated by the fact that Pennsylvania ranks among the top ten states in the production of a variety of agricultural products.

Employment. Non-agricultural employment in Pennsylvania over the ten years ending in 2011 increased at an average annual rate of 0.08 percent compared with a 0.05 percent rate for the Middle Atlantic region and 0.09 percent rate for the United States.

Non-manufacturing employment in Pennsylvania has increased in recent years and reached 90.1 percent of total employment by 2011. Consequently, manufacturing employment constitutes a diminished share of total employment within the Commonwealth. Manufacturing, contributing

9.9 percent of 2011 non-agricultural employment, has fallen behind the services sector, the trade sector and the government sector as the fourth largest single source of employment within the Commonwealth. In 2011, the services sector accounted for 47.9 percent of all non-agricultural employment, while the trade sector accounted for 15.0 percent.

Unemployment. Pennsylvania's annual average unemployment rate was equivalent to the national average throughout the 2000s. Slower economic growth caused the unemployment rate in the Commonwealth to rise to 8.5 percent in 2010 compared to 4.4 percent annual unemployment in 2007. As of December 2012, the most recent month for which figures are available, Pennsylvania had a seasonally adjusted annual unemployment rate of 7.9 percent.

State Budget

Overview. The Commonwealth operates under an annual budget that is formulated and submitted for legislative approval by the Governor each February. A budgetary basis of accounting is used for ensuring compliance with the enacted operating budget and is governed by applicable state statutes and by administrative procedures. The State Constitution provides that operating budget appropriations shall not exceed the actual and estimated revenues and unappropriated surplus available in the fiscal year (July 1 – June 30) for which funds are appropriated. Annual budgets are enacted for the General Fund, the Commonwealth's largest operating fund, and certain special revenue funds that together represent the majority of expenditures of the Commonwealth. The annual budget classifies fund revenues as Commonwealth revenues, augmentations, federal revenues, or restricted receipts and revenues.

Commonwealth revenues are revenues from taxes and from non-tax sources such as licenses and fee charges, penalties, interest, investment income and other miscellaneous sources. Augmentations consist of departmental and institutional billings that supplement an appropriation of Commonwealth revenues, thereby increasing authorized spending. Federal revenues are those federal aid receipts that pay for or reimburse the Commonwealth for funds disbursed for federally assisted programs. Restricted receipts and revenues are funds that are restricted to a specific use or uses by state law, administrative decision, or the provider of the funds.

Only Commonwealth revenues and expenditures from these revenues are included in the computation made to determine whether an enacted budget is constitutionally balanced. Augmenting revenues and federal revenues are considered to be self-balancing with expenditures from their respective revenue sources.

The Commonwealth's budgetary basis financial reports for its governmental funds are based on a modified cash basis of accounting, as opposed to the modified accrual basis prescribed by GAAP. Under the Commonwealth's budgetary basis of accounting, tax receipts, non-tax revenues, augmentations and all other receipts are recorded at the time cash is received. An adjustment is made at fiscal year-end to include accrued unrealized revenue; that is, revenues earned but not collected.

Revenues accrued include estimated receipts from (i) sales and use, personal income, realty transfer, inheritance, cigarette, liquor, liquid fuel, fuels, and oil company franchise taxes, and interest earnings, and (ii) federal government commitments to the Commonwealth. Expenditures are recorded at the time payment requisitions and invoices are submitted to the Treasury Department for payment. Appropriated amounts are reserved for payment of contracts for the delivery of goods or services to the

Commonwealth through an encumbrance process. Unencumbered appropriated funds are automatically lapsed at fiscal year-end and are available for re-appropriation. Estimated encumbrances are established at fiscal year-end to pay certain direct expenditures for salaries, wages, travel and utility costs payable against current year appropriations, but disbursed in the subsequent fiscal year. Recording of the applicable expenditure liquidates the encumbered amount. Over-estimates of fiscal year-end encumbrances are lapsed in the subsequent fiscal year and under-estimates are charged to a subsequent fiscal year appropriation. Appropriation encumbrances are shown on the Commonwealth's balance sheet as a reservation of fund balance.

Other reservations of fund balance include (i) the unexpended balance of continuing appropriations, and (ii) requested appropriation supplements and deficiency appropriations. Revenues dedicated for specific purposes and remaining unexpended at fiscal year-end are likewise reserved.

Financial Condition. The subdued level of the economic recovery from the most recent national recession continued to affect the Commonwealth's revenue receipts during fiscal year 2012. General Fund revenues increased \$180.8 million or 0.7 percent during fiscal year 2012 when measured on a year-over-year basis as compared to fiscal year 2011. General Fund revenues were below the certified estimate by \$162.8 million or 0.6% during fiscal year 2012.

The enacted fiscal year 2013 budget, as re-estimated February 2013, provides appropriations and executive authorizations, net of lapses and other reductions, totaling \$28,339.8 million of Commonwealth funds against estimated revenues, net of tax refunds and including public health and human services assessments, of \$28,210.8 million. The \$129.0 million negative difference between estimated revenues and budgeted appropriations is to be mitigated by a partial draw down of the \$659.0 million ending balance from fiscal year 2012. The fiscal year 2013 ending unappropriated balance is estimated to be \$543.6 million following the statutory transfer of 25 percent of the Commonwealth's unappropriated surplus balance to the Budget Stabilization Reserve Fund.

(a) *Outstanding Debt of the Commonwealth.* The Commonwealth is permitted by its Constitution to incur the following types of debt: (i) debt to suppress insurrection or rehabilitate areas affected by disaster; (ii) electorate approved debt; (iii) debt for capital projects subject to an aggregate debt limit of 1.75 times the annual average tax revenues of the preceding five fiscal years; and (iv) tax anticipation notes payable in the fiscal year of issuance. All debt, except tax anticipation notes, must be amortized in substantial and regular amounts.

Debt service on Commonwealth general obligation debt is paid from appropriations out of the General Fund, except for debt issued for highway purposes, which is paid from Motor License Fund appropriations. Net outstanding general obligation debt for non-highway purposes totaled \$10,724.3 million on June 30, 2012, a net increase of \$852.3 million from June 30, 2011. Over the ten-year period ended June 30, 2012, total net outstanding general obligation debt for non-highway purposes increased at an annual rate of 5.9%. Over the five-year period ending June 30, 2012, outstanding general obligation debt for non-highway purposes has increased at an annual rate of 6.5%.

(b) *Government Authorities and Other Organizations.* Certain state-created organizations have statutory authorization to issue debt for which state appropriations to pay debt service thereon are not required. The debt of these organizations is funded by assets of or revenues derived from the various projects financed; it is not an obligation of the state. Some of these organizations, however, are indirectly dependent on state appropriations. State-related agencies and their outstanding debt as of

December 31, 2012 include the Delaware River Joint Toll Bridge Commission (\$391.6 million), the Delaware River Port Authority (\$1,166.0 million), the Pennsylvania Economic Development Financing Authority (\$4,207.5 million), the Pennsylvania Higher Education Assistance Agency (\$6,582.4 million), the Pennsylvania Higher Education Facilities Authority (\$6,770.3 million), the Pennsylvania Industrial Development Authority (\$268.3 million), the Pennsylvania Infrastructure Investment Authority (\$3.9 million), the Pennsylvania Turnpike Commission (\$8,227.8 million) and the State Public School Building Authority (\$3,364.9 million).

(c) *Moral Obligations.* The only obligations of state-created agencies in Pennsylvania that bear a moral obligation of the state are those issued by the Pennsylvania Housing Finance Agency, a state-created agency that provides financing for housing for lower and moderate income families in the Commonwealth, which had \$3,839.6 million in bonds outstanding at December 31, 2012.

(d) *Commonwealth Financing Authority.* The Commonwealth Financing Authority (CFA) was established in April 2004 with the enactment of legislation establishing the CFA as an independent authority and an instrumentality of the Commonwealth. The CFA is authorized to issue its limited obligation revenue bonds and other types of limited obligation revenue financing for the purposes of promoting the health, safety, employment, business opportunities, economic activity and general welfare of the Commonwealth and its citizens through loans, grants, guarantees, leases, lines and letters of credit and other financing arrangements to benefit both for-profit and non-profit entities.

The CFA's bonds and financings are to be secured by revenues and accounts of the CFA, including funds appropriated to the CFA from general revenues of the Commonwealth for repayment of CFA obligations. The obligations of the CFA will not be a debt or liability of the Commonwealth, but it is expected that the CFA may issue debt that may be payable from appropriations of the Commonwealth.

Since November 2005, the CFA has completed multiple bond issues to fund programs established by its original economic stimulus mission of 2004. As of June 30, 2012, the CFA had \$1,380.6 million in outstanding bond debt. The Commonwealth's fiscal year 2013 enacted budget appropriates \$85.519 million in state funds to the CFA for payment of CFA debt service during fiscal year 2013. CFA debt service for fiscal year 2013 is estimated to be \$82.0 million. Additional appropriations from the Commonwealth's General Fund for future debt service beyond those mentioned are expected to be requested each year by the Department of Community and Economic Development for inclusion in future Executive Budget requests to the General Assembly.

As part of the enactment process for the fiscal year 2009 budget, the General Assembly enacted and on July 9, 2008, the Governor signed into law Act 63 of 2008 (Act 63) and Act 1 of Special Session 1 of 2008 (Act 1). Combined, these two acts provide the CFA with additional bond indebtedness authority of up to \$1,300 million. Act 63 provides the CFA with authority to issue up to \$800 million in limited obligation revenue bonds in order to fund water or sewer projects, storm water projects, flood control projects and high hazard unsafe dam projects. Act 63 also provides for the use of Pennsylvania Gaming and Economic Development and Tourism Fund revenues to support debt service costs associated with the \$800 million in additional CFA debt authority. Act 1 provides the CFA with authority to issue up to \$500 million in limited obligation revenue bonds to fund the development of alternative sources of energy. As of December 31, 2012, the CFA had issued \$242.0 million in limited obligation revenue bonds authorized by Act 1. Further, the CFA has issued \$550.0 million in limited obligation revenue bonds authorized by Act 63.

(e) *City of Philadelphia.* The Pennsylvania Intergovernmental Cooperation Authority (PICA) was created by Commonwealth legislation in 1991 to assist the City of Philadelphia, the Commonwealth's largest city, in remedying its fiscal emergencies. PICA is authorized to provide assistance through the issuance of funding debt and to make factual findings and recommendations to Philadelphia concerning its budgetary and fiscal affairs. This financial assistance has included grants used by the City for defeasance of certain City general obligation bonds, funding of capital projects and the liquidation of the cumulative general fund balance deficit of the City of Philadelphia as of June 30, 1992 of \$224.9 million. At this time, Philadelphia is operating under a five-year fiscal plan approved by PICA on September 5, 2012.

No further bonds may be issued by PICA for the purpose of either financing capital projects or a deficit, as the authority for such bond issuance expired December 31, 1994. PICA's authority to issue debt for the purpose of financing a cash flow deficit expired on December 31, 1995. Its ability to refund existing outstanding debt is unrestricted. PICA had \$453.0 million in special tax revenue bonds outstanding as of June 30, 2012. Neither the taxing power nor the credit of the Commonwealth is pledged to pay debt service on PICA's bonds.

Debt Ratings. As of April 1, 2013, the general obligation bonds of the Commonwealth are rated Aa2 by Moody's, AA by S&P and AA+ by Fitch.

Litigation. The Commonwealth is currently involved in certain litigation where adverse decisions could have an adverse impact on its ability to pay debt service. In 1978 the General Assembly approved a limited waiver of sovereign immunity with respect to lawsuits against the Commonwealth. Damages for any loss are limited to \$250,000 for each person and \$1,000,000 for each accident. The Supreme Court of Pennsylvania has held that this limitation is constitutional. This limitation would not apply to tax appeals such as Northbrook (now Allstate) as detailed below. Approximately 3,150 suits against the Commonwealth remain open. Tort claim payments for the departments and agencies, other than the Department of Transportation, are paid from departmental and agency operating and program appropriations. Tort claim payments for the Department of Transportation are paid from an appropriation from the Motor License Fund. The Motor License Fund tort claim appropriation for fiscal year 2012 is \$20.0 million.

County of Allegheny v. Commonwealth of Pennsylvania involves litigation regarding the state constitutionality of the statutory scheme for county funding of the judicial system. The Supreme Court of Pennsylvania held that such a statutory scheme is in conflict with the Pennsylvania Constitution, but stayed its judgment to afford the General Assembly an opportunity to enact appropriate funding legislation consistent with its opinion and ordered that the prior system of county funding shall remain in place until this is done. The Court appointed retired Justice Frank J. Montemuro, Jr. as special master to devise and submit a plan for implementation. Justice Montemuro recommended a four-phase transition to state funding of a unified judicial system. In 2008, in *Pennsylvania State Association of County Commissioners v. Commonwealth*, the counties moved the Supreme Court of Pennsylvania to enforce the original order in the case. On September 26, 2012, the Court denied the petitioners motion to enforce the mandamus judgment and relinquished jurisdiction.

Northbrook Life Insurance Co. v. Commonwealth was the lead case in litigation with potentially the entire insurance industry that does business in Pennsylvania, in which the Pennsylvania Department of Revenue's application of portions of the Life and Health Guaranty Association Act of 1982 was challenged. On January 26, 2006, the *en banc* Commonwealth Court issued a conflicted

decision in which the majority partially ruled for both parties. Both parties filed exceptions. The Court denied all exceptions and upheld its earlier decision. Northbrook filed an appeal to the Pennsylvania Supreme Court. The Supreme Court ruled in Northbrook's favor, but only on a technicality, and did not address the substantive findings of the Commonwealth Court. Counsel then selected the *Allstate Life Insurance Co. v. Commonwealth* case to re-litigate the issues involved. On March 25, 2010, by a 3-2 vote, an *en banc* panel of the Commonwealth Court ruled that Allstate was entitled to claim a credit for all annuity assessments paid to the Guaranty Fund. The Commonwealth Court overruled the Commonwealth's objections to this decision, and the Commonwealth filed an appeal to the Pennsylvania Supreme Court. On August 2, 2012, an evenly divided court affirmed the final order of the Commonwealth Court. The Commonwealth filed an Application for Reargument, which the Pennsylvania Supreme Court denied on October 24, 2012. Thus, the Commonwealth Court's judgment is final and binding precedent unless legislative action is sought to change the statute.

Hospital & Healthsystem Ass'n of Pa. v. Commonwealth involves litigation relating to the Medical Care Availability and Reduction of Error (MCARE) Fund, a special fund established within the Treasury that pays claims against health providers resulting from medical professional liability actions that exceed their basic insurance coverage. All health care providers in Pennsylvania are required to pay annual assessments to the MCARE Fund. On April 15, 2010, the Commonwealth Court held that legislation causing the Commonwealth to transfer \$100 million from the MCARE Fund to the General Fund was unlawful in that it violated the petitioners' vested rights in that money. The Commonwealth has appealed this decision to the Pennsylvania Supreme Court, resulting in an automatic stay of the relief pending resolution of the Commonwealth's appeal. Oral argument was held in September 2011, and the appeal remains pending.

Harlee Manor, Inc., et al. v. Dept. of Public Welfare, et al. is a case pending before the Commonwealth Court that challenges an assessment imposed on nursing homes to generate revenue for the Medicaid budget. The parties are currently in negotiations with each other and the federal government to resolve the issue. If the Court strikes down the assessment, analysts estimate that the Commonwealth would lose \$331 million in state funds and a like amount in federal matching funds.

CG, et al. v. PDE, et al. is a certified class action commenced in federal district court in 2006. The plaintiffs contend that the Pennsylvania statute that apportions special education funding violates certain federal laws. Some claims have been dismissed on summary judgment, but the remaining claims arise under the Individuals with Disabilities Education Act and the Equal Educational Opportunities Act of 1974. Following a bench trial in September 2011 on the claims that were not dismissed, Chief Judge Kane entered a judgment against the plaintiffs and in favor of the defendants as to all claims. The plaintiffs have appealed to the U.S. Court of Appeals for the Third Circuit, and both parties are preparing briefs.

Sears, et al. v. Corbett, et al. and *Weisblatt, et al. v. Corbett, et al.* are a pair of class action suits seeking to force the legislature to restore appropriations from the Pennsylvania Tobacco Settlement Fund (the Fund) to the Pennsylvania adultBasic Insurance Coverage program (adultBasic). After discontinuation of adultBasic, the petitioners filed a request for preliminary injunctive relief with the Commonwealth Court, contending that, in redirecting money from the Fund through certain 2010 and 2011 amendments to the Fiscal Code, the legislature violated the Pennsylvania Tobacco Settlement Act, which established the Fund. In amended petitions in both cases, petitioners added constitutional challenges associated with the amendments to the Fiscal Code. The Commonwealth filed preliminary objections to the amended petitions for review in both actions. In

June 2012, an *en banc* panel of the Commonwealth Court sustained in part and overruled in part the preliminary objections, and ruled that the petitioners' constitutional challenges could be pursued. After the pleadings were closed, all parties filed applications for summary relief with the Commonwealth Court, which the Court granted in part and denied in part on March 4, 2013. The Court declared that the acts amending the Fiscal Code redirecting money from the fund were unconstitutional because they contained more than a single subject and amended the Tobacco Settlement Act in a procedurally improper manner. However, based on principles of sovereign immunity, the Court declined to order the Commonwealth parties to restore to the Fund and adultBasic the funds that had been transferred in 2010 and 2011. The Court ordered the respondents to adhere to the relevant Tobacco Settlement Act provisions during the 2013-14 fiscal year, unless the General Assembly were properly to enact laws that direct otherwise.

The specific litigation matters described above are provided as an example only and do not comprise a complete listing of material ongoing or pending litigation involving the Commonwealth, its agencies, subdivisions and instrumentalities.

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NQP-1013

The information contained in this Statement of Additional Information is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This Statement of Additional Information is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION,

DATED JULY 17, 2013

STATEMENT OF ADDITIONAL INFORMATION

RELATING TO THE REORGANIZATIONS OF

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND (NQP)

NUVEEN PENNSYLVANIA PREMIUM INCOME MUNICIPAL FUND 2 (NPY)

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND (NXM, NXM PrC)

AND

NUVEEN PENNSYLVANIA DIVIDEND ADVANTAGE MUNICIPAL FUND 2 (NVY, NVY PrC)

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

This Statement of Additional Information (SAI) is available to shareholders of Nuveen Pennsylvania Premium Income Municipal Fund 2 (Premium Income), Nuveen Pennsylvania Dividend Advantage Municipal Fund (Dividend Advantage) and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (Dividend Advantage 2 and collectively with Premium Income and Dividend Advantage, the Target Funds or each individually, a Target Fund) in connection with the proposed reorganization of each Target Fund into Nuveen Pennsylvania Investment Quality Municipal Fund (Investment Quality or the Acquiring Fund), pursuant to an Agreement and Plan of Reorganization (the Agreement) that provides for: (i) 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 Variable Rate Demand Preferred Shares with a par value of \$0.01 per share and a liquidation preference of \$100,000 per share (VRDP Shares) or MuniFund Term Preferred Shares with a par value of \$0.01 per share and a liquidation preference of \$10 per share (MTP Shares) of the Acquiring Fund, as applicable, and the Acquiring Fund s assumption of substantially all of the liabilities of each Target Fund; and (ii) 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 collectively, the Reorganizations).

This SAI is not a prospectus and should be read in conjunction with the Joint Proxy Statement/Prospectus filed on Form N-14 with the Securities and Exchange Commission (SEC) dated [], 2013 relating to the proposed Reorganizations of the Target Funds into the Acquiring Fund (the Joint Proxy Statement/Prospectus). A copy of the Joint Proxy Statement/Prospectus and other information may be obtained without charge by calling (800) 257-8787 or from the Funds website (<http://www.nuveen.com>). The information contained in, or that can be accessed through, the Funds website is not part of the Joint Proxy Statement/Prospectus or this SAI. You may also obtain a copy of the Joint Proxy Statement/Prospectus on the website of the SEC (<http://www.sec.gov>). Capitalized terms used but not defined in this SAI have the meanings ascribed to them in the Joint Proxy Statement/Prospectus.

This SAI is dated [], 2013.

TABLE OF CONTENTS

| | |
|---|------|
| <u>Investment Objectives and Policies</u> | S-1 |
| <u>Portfolio Composition</u> | S-3 |
| <u>Investment Restrictions</u> | S-20 |
| <u>Management of the Funds</u> | S-26 |
| <u>Board Leadership Structure and Risk Oversight</u> | S-37 |
| <u>Investment Adviser and Sub-Adviser</u> | S-49 |
| <u>Portfolio Manager</u> | S-50 |
| <u>Portfolio Transactions and Brokerage</u> | S-53 |
| <u>Repurchase of Fund Shares: Conversion to Open-End Fund</u> | S-54 |
| <u>Tax Matters</u> | S-56 |
| <u>Experts</u> | S-63 |
| <u>Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption and Paying Agent</u> | S-64 |
| <u>Additional Information</u> | S-64 |
| <u>Appendix A Ratings of Investments</u> | A-1 |
| <u>Appendix B Taxable Equivalent Yield Table</u> | B-1 |
| <u>Appendix C Form of Statement Establishing the Rights and Preferences of MuniFund Term Preferred Shares</u> | C-1 |

INVESTMENT OBJECTIVES AND POLICIES

The following supplements the information contained in the Joint Proxy Statement/Prospectus concerning the investment objectives and policies of the Funds. The investment policies described below, except as set forth under Investment Restrictions or otherwise noted, are not fundamental policies and may be changed by a Fund's Board of Trustees (the Board and each Trustee, a Board Member) without the approval of shareholders.

The Funds have similar investment objectives, policies and risks, and are managed by the same portfolio manager. The Acquiring Fund's primary investment objective is to provide, through investment in a professionally managed portfolio of investment-grade tax-exempt municipal securities, current income exempt from both regular federal and Pennsylvania income taxes, consistent with the Fund's investment policies. The secondary investment objective of the Acquiring Fund is the enhancement of portfolio value relative to the Pennsylvania municipal bond market through investments in tax-exempt Pennsylvania municipal securities that, in the opinion of the Fund's investment adviser, Nuveen Fund Advisors, LLC (Nuveen Fund Advisors or the Adviser), are underrated or undervalued or that represent municipal markets that are undervalued. With the exception of the reference to investment-grade in the Acquiring Fund's primary investment objective, the investment objectives of Premium Income substantially are the same as those of the Acquiring Fund. (As described more fully below, it is a non-fundamental policy of each Fund to invest, under normal circumstances, at least 80% of its managed assets in investment-grade securities.) Although the investment objectives of Dividend Advantage and Dividend Advantage 2 are not distinguished by primary and secondary components, they are otherwise consistent with those of the Acquiring Fund and Premium Income. For each of Dividend Advantage and Dividend Advantage 2, the investment objectives are to provide current income exempt from regular federal and Pennsylvania income tax and to enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued.

It is a fundamental policy of each Fund that, under normal circumstances, such Fund will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding (Managed Assets) in municipal securities and other related investments that pay interest exempt from regular federal and Pennsylvania personal income taxes.

As a non-fundamental policy, under normal circumstances, each Fund will invest at least 80% of its Managed Assets in investment-grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by at least one nationally recognized statistical rating organization (NRSRO) or are unrated but judged to be of comparable quality by Nuveen Asset Management, LLC (Nuveen Asset Management or the Sub-Adviser), the sub-adviser to each Fund. Also, as a non-fundamental policy, each Fund may invest up to 20% of its Managed Assets in municipal securities that, at the time of investment, are rated below investment grade or are unrated but judged to be of comparable quality by Nuveen Asset Management. Additionally, as a non-fundamental policy, no more than 10% of each Fund's Managed Assets may be invested in municipal securities rated below B3/B- or that are unrated but judged to be of comparable quality by Nuveen Asset Management.

Securities of below investment grade quality (Ba/BB or below) are commonly referred to as junk bonds. Issuers of securities rated Ba/BB or B are regarded as having current capacity to make

principal and interest payments but are subject to business, financial or economic conditions which could adversely affect such payment capacity. Municipal securities rated below investment grade quality are obligations of issuers that are considered predominately speculative with respect to the issuer's capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of issuer default and bankruptcy and increased market price volatility. Municipal securities rated below investment grade tend to be less marketable than higher-quality securities because the market for them is less broad. The market for unrated municipal securities is even narrower. During periods of thin trading in these markets, the spread between bid and asked prices is likely to increase significantly and the Fund may have greater difficulty selling its portfolio securities. The Fund will be more dependent on the Sub-Adviser's research and analysis when investing in these securities. Municipal securities rated Baa or BBB are considered investment grade securities; municipal securities rated Baa are considered medium grade obligations which lack outstanding investment characteristics and have speculative characteristics, while municipal securities rated BBB are regarded as having adequate capacity to pay principal and interest. Municipal securities rated AAA in which the Fund may invest may have been so rated on the basis of the existence of insurance guaranteeing the timely payment, when due, of all principal and interest.

The foregoing credit quality policies apply only at the time a security is purchased, and a Fund is not required to dispose of a security in the event that a rating agency downgrades its assessment of the credit characteristics of a particular issuer or that valuation changes of various bonds cause a Fund's portfolio to fail to satisfy those policies. In determining whether to retain or sell such a security, the Adviser and/or the Sub-Adviser may consider such factors as the Adviser's and/or the Sub-Adviser's assessment of the credit quality of the issuer of such security, the price at which such security could be sold and the rating, if any, assigned to such security by other rating agencies. See Municipal Securities below and Special Considerations Relating to Pennsylvania Municipal Securities in the Joint Proxy Statement/Prospectus.

Each Fund will primarily invest in municipal securities with long-term maturities in order to maintain a weighted average maturity of 15-30 years, but the average weighted maturity of obligations held by a Fund may be shortened, depending on market conditions. As a result, a Fund's portfolio at any given time may include both long-term and intermediate-term municipal securities. Moreover, during temporary defensive periods (e.g., times when, in the Adviser's and/or the Sub-Adviser's opinion, temporary imbalances of supply and demand or other temporary dislocations in the tax-exempt bond market adversely affect the price at which long-term or intermediate-term municipal securities are available), and in order to keep a Fund's cash fully invested, a Fund may invest any percentage of its net assets in short-term investments including high quality, short-term debt securities that may be either tax-exempt or taxable and up to 10% of its Managed Assets in securities of other open- or closed-end investment companies (including exchange-traded funds) that invest primarily in municipal securities of the types in which a Fund may invest directly. See Other Investment Companies. A Fund will generally select obligations which may not be redeemed at the option of the issuer for approximately seven to nine years.

No Fund has established a limit on the percentage of its portfolio that may be invested in municipal bonds subject to the alternative minimum tax provisions of federal tax law, and each Fund expects that a substantial portion of the income it produces may be includable in alternative minimum taxable income.

Each Fund may purchase municipal securities that are additionally secured by insurance, bank credit agreements or escrow accounts. The credit quality of companies that provide such credit enhancements will affect the value of those securities. Although the insurance feature may reduce certain financial risks, the premiums for insurance and the higher market price paid for insured obligations may reduce a Fund's income. A municipal security with an insurance feature will be deemed to have the rating of its insurer. The insurance feature does not guarantee the market value of the insured obligations, and the effectiveness and value of the insurance itself is dependent on the continued creditworthiness of the insurer.

Each Fund may enter into certain derivative instruments in pursuit of its investment objectives, including to seek to enhance return, to hedge some of the risk of the Fund's investments in municipal securities or a substitute for a position in the underlying asset. 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. A 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 futures contracts or related options.

Each Fund may invest in inverse floating rate securities. With respect to Dividend Advantage and Dividend Advantage 2, such investments may not exceed 15% of the Fund's Managed Assets. Inverse floating rate securities represent a leveraged investment in the underlying municipal bond deposited. Inverse floating rate securities offer the opportunity for higher income than the underlying bond, but will subject the Fund to the risk of lower or even no income if short-term interest rates rise sufficiently. By investing in an inverse floating rate security rather than directly in the underlying bond, the Fund will experience a greater increase in its common share net asset value if the underlying municipal bond increases in value, but will also experience a correspondingly larger decline in its common share net asset value if the underlying bond declines in value.

Each Fund may borrow money for the repurchase of its shares or for temporary or emergency purposes, such as for the payment of dividends or the settlement of portfolio transactions.

There is no assurance that a Fund will achieve its investment objectives.

A general description of the municipal securities ratings of Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business (S&P), Moody's Investors Service, Inc. (Moody's) and Fitch Ratings, Inc. (Fitch) is set forth in Appendix A hereto. As also discussed below, the ratings of S&P, Moody's and Fitch represent their opinions as to the quality of the municipal securities they rate. It should be emphasized, however, that ratings are general and are not absolute standards of quality. Consequently, municipal securities with the same maturity, coupon and rating may have different yields while obligations of the same maturity and coupon with different ratings may have the same yield.

PORTFOLIO COMPOSITION

In addition to and supplementing the Joint Proxy Statement/Prospectus, each Fund's portfolio will be composed principally of the investments described below.

Municipal Securities

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

The municipal securities in which each Fund will invest are generally issued by the Commonwealth of Pennsylvania, a municipality in Pennsylvania, or a political subdivision or agency or instrumentality of such Commonwealth or municipality, and pay interest that, in the opinion of bond counsel to the issuer (or on the basis of other authority believed by the Adviser and/or Sub-Adviser to be reliable), is exempt from regular federal and Pennsylvania income taxes, although the interest may be subject to the federal alternative minimum tax. Each Fund may invest in municipal securities issued by U.S. territories (such as Puerto Rico or Guam) that are exempt from regular federal and Pennsylvania income taxes.

Yields on municipal securities depend on many factors, including the condition of the general money market and the municipal bond market, the size of a particular offering, and the maturity and rating of a particular municipal security. Moody's, S&P's and Fitch's ratings represent their opinions of the quality of a particular municipal security, but these ratings are general and are not absolute quality standards. Therefore, municipal securities with the same maturity, coupon and rating may have different yields, while municipal securities with the same maturity and coupon and different ratings may have the same yield. The market value of municipal securities will vary with changes in interest rates and the ability of their issuers to make interest and principal payments.

Obligations of issuers of municipal securities are subject to the provisions of bankruptcy, insolvency and other laws affecting the rights and remedies of creditors, such as the Bankruptcy Reform Act of 1978. In addition, the obligations of such issuers may become subject to the laws enacted in the future by Congress, state legislatures or referenda extending the time for payment of principal or interest, or both, or imposing other constraints upon enforcement of such obligations or

upon municipalities to levy taxes. There is also the possibility that, as a result of legislation or other conditions, the power or ability of any issuer to pay, when due, the principal of and interest on its municipal securities may be materially affected.

Each Fund has no intention to file a voluntary application for relief under federal bankruptcy law or any similar application under state law for so long as each Fund is solvent and does not foresee becoming insolvent.

Municipal Leases and Certificates of Participation. Also included within the general category of Municipal Obligations described above and in the Joint Proxy Statement/Prospectus are municipal leases, certificates of participation in such lease obligations or installment purchase contract obligations (hereinafter collectively called "Municipal Lease Obligations") of municipal authorities or entities. Although a Municipal Lease Obligation does not constitute a general obligation of the municipality for which the municipality's taxing power is pledged, a Municipal Lease Obligation is ordinarily backed by the municipality's covenant to budget for, appropriate and make the payments due under the Municipal Lease Obligation. However, certain Municipal Lease Obligations contain non-appropriation clauses that relieve the governmental issuer of any obligation to make future lease or installment purchase payments unless money is appropriated for such purpose by the appropriate legislative body on a yearly or other periodic basis. In the case of a non-appropriation lease, a Fund's ability to recover under the lease in the event of non-appropriation or default will be limited solely to the repossession of the leased property, without recourse to the general credit of the lessee, and disposition or releasing of the property might prove difficult, time consuming and costly, and result in a delay in recovering, or the failure to recover fully, a Fund's original investment. In order to reduce this risk, a Fund will only purchase Municipal Lease Obligations where the Adviser and/or the Sub-Adviser believes the issuer has a strong incentive to continue making appropriations until maturity.

A certificate of participation represents an undivided interest in an unmanaged pool of municipal leases, an installment purchase agreement or other instruments. The certificates typically are issued by a municipal agency, a trust or other entity that has received an assignment of the payments to be made by the state or political subdivision under such leases or installment purchase agreements. Such certificates provide a Fund with the right to a *pro rata* undivided interest in the underlying municipal securities. In addition, such participations generally provide a Fund with the right to demand payment, on not more than seven days' notice, of all or any part of a Fund's participation interest in the underlying municipal securities, *plus* accrued interest.

Municipal Notes. Municipal securities in the form of notes generally are used to provide for short-term capital needs, in anticipation of an issuer's receipt of other revenues or financing, and typically have maturities of up to three years. Such instruments may include tax anticipation notes, revenue anticipation notes, bond anticipation notes, tax and revenue anticipation notes and construction loan notes. Tax anticipation notes are issued to finance the working capital needs of governments. Generally, they are issued in anticipation of various tax revenues, such as income, sales, property, use and business taxes, and are payable from these specific future taxes. Revenue anticipation notes are issued in expectation of receipt of other kinds of revenue, such as federal revenues available under federal revenue sharing programs. Bond anticipation notes are issued to provide interim financing until long-term bond financing can be arranged. In most cases, the long-term bonds then provide the funds needed for repayment of the bond anticipation notes. Tax and revenue anticipation notes combine the funding sources of both tax anticipation notes and revenue anticipation notes. Construction loan notes are sold to provide construction financing. Mortgage notes insured by the Federal Housing Authority

secure these notes; however, the proceeds from the insurance may be less than the economic equivalent of the payment of principal and interest on the mortgage note if there has been a default. The anticipated revenues from taxes, grants or bond financing generally secure the obligations of an issuer of municipal notes. An investment in such instruments, however, presents a risk that the anticipated revenues will not be received or that such revenues will be insufficient to satisfy the issuer's payment obligations under the notes or that refinancing will be otherwise unavailable.

Pre-Refunded Municipal Securities. The principal of and interest on pre-refunded municipal securities are no longer paid from the original revenue source for the securities. Instead, the source of such payments is typically an escrow fund consisting of U.S. government securities. The assets in the escrow fund are derived from the proceeds of refunding bonds issued by the same issuer as the pre-refunded municipal securities. Issuers of municipal securities use this advance refunding technique to obtain more favorable terms with respect to securities that are not yet subject to call or redemption by the issuer. For example, advance refunding enables an issuer to refinance debt at lower market interest rates, restructure debt to improve cash flow or eliminate restrictive covenants in the indenture or other governing instrument for the pre-refunded municipal securities. However, except for a change in the revenue source from which principal and interest payments are made, the pre-refunded municipal securities remain outstanding on their original terms until they mature or are redeemed by the issuer.

Private Activity Bonds. Private activity bonds are issued by or on behalf of public authorities to obtain funds to provide privately operated housing facilities, airport, mass transit or port facilities, sewage disposal, solid waste disposal or hazardous waste treatment or disposal facilities and certain local facilities for water supply, gas or electricity. Other types of private activity bonds, the proceeds of which are used for the construction, equipment, repair or improvement of privately operated industrial or commercial facilities, may constitute municipal securities, although the current federal tax laws place substantial limitations on the size of such issues. A Fund's distributions of its interest income from private activity bonds may subject certain investors to the federal alternative minimum tax.

Inverse Floating Rate Securities. Each Fund may invest in inverse floating rate securities. Inverse floating rate securities (sometimes referred to as inverse floaters or residual interest securities) are securities whose interest rates bear an inverse relationship to the interest rate on another security or the value of an index. Generally, inverse floating rate securities represent beneficial interests in a special purpose trust formed by a third-party sponsor for the purpose of holding municipal bonds. The special purpose trust typically sells two classes of beneficial interests or securities: floating rate securities (sometimes referred to as short-term floaters or tender option bonds) and inverse floating rate securities. Both classes of beneficial interests are represented by certificates. The short-term floating rate securities have first priority on the cash flow from the municipal bonds held by the special purpose trust. Typically, a third party, such as a bank, broker-dealer or other financial institution, grants the floating rate security holders the option, at periodic intervals, to tender their securities to the institution and receive the face value thereof. As consideration for providing the option, the financial institution receives periodic fees.

The holder of the short-term floater effectively holds a demand obligation that bears interest at the prevailing short-term, tax-exempt rate. However, the institution granting the tender option will not be obligated to accept tendered short-term floaters in the event of certain defaults or a significant downgrade in the credit rating assigned to the bond issuer. For its inverse floating rate investment, a Fund receives the residual cash flow from the special purpose trust. Because the holder of the short-term floater is generally assured liquidity at the face value of the security, a Fund as the holder of the

inverse floater assumes the interest rate cash flow risk and the market value risk associated with the municipal security deposited into the special purpose trust. The volatility of the interest cash flow and the residual market value will vary with the degree to which the trust is leveraged. This is expressed in the ratio of the total face value of the short-term floaters in relation to the value of the inverse floaters that are issued by the special purpose trust, and can exceed three times for more highly leveraged trusts. All voting rights and decisions to be made with respect to any other rights relating to the municipal bonds held in the special purpose trust are passed through to a Fund, as the holder of the residual inverse floating rate securities.

Because increases in the interest rate on the short-term floaters reduce the residual interest paid on inverse floaters, and because fluctuations in the value of the municipal bond deposited in the special purpose trust affect the value of the inverse floater only, and not the value of the short-term floater issued by the trust, inverse floaters' value is generally more volatile than that of fixed rate bonds. The market price of inverse floating rate securities is generally more volatile than the underlying securities due to the leveraging effect of this ownership structure. These securities generally will underperform the market of fixed rate bonds in a rising interest rate environment (i.e., when bond values are falling), but tend to outperform the market of fixed rate bonds when interest rates decline or remain relatively stable. Although volatile, inverse floaters typically offer the potential for exceeding the yields available on fixed rate bonds with comparable credit quality, coupon, call provisions and maturity. Inverse floaters have varying degrees of liquidity based upon, among other things, the liquidity of the underlying securities deposited in a special purpose trust. A Fund may invest in inverse floating rate securities issued by special purpose trusts whose sponsors have recourse to the Fund pursuant to a separate shortfall and forbearance agreement. Such an agreement would require a Fund to reimburse the third-party sponsor of the trust, upon termination of the trust issuing the inverse floater, for the difference between the liquidation value of the bonds held in the trust and the principal amount due to the holders of floating rate securities issued by the trust. A Fund will enter into such a recourse agreement (i) when the liquidity provider with respect to the floating rate securities issued by the special purpose trust requires such a recourse agreement because the level of leverage in the special purpose trust exceeds the level that the liquidity provider is willing to support absent such an agreement; and/or (ii) to seek to prevent the liquidity provider from collapsing the special purpose trust in the event that the municipal obligation held in the trust has declined in value. In an instance where a Fund has entered such a recourse agreement, such Fund may suffer a loss that exceeds the amount of its original investment in the inverse floating rate securities; such loss could be as great as that original investment amount plus the face amount of the floating rate securities issued by the trust.

Each Fund will segregate or earmark liquid assets with its custodian in accordance with the 1940 Act to cover its obligations with respect to its investments in special purpose trusts. See also *Segregation of Assets* below.

A Fund may invest in both inverse floating rate securities and floating rate securities (as discussed below) issued by the same special purpose trust.

Investments in inverse floating rate securities have the economic effect of leverage. The use of leverage creates special risks for common shareholders. See the Joint Proxy Statement/Prospectus under *Risk Factors* *Inverse Floating Rate Securities Risk*.

Floating Rate Securities. Each Fund may also invest in floating rate securities, as described above, issued by special purpose trusts. Floating rate securities may take the form of short-term

floating rate securities or the option period may be substantially longer. Generally, the interest rate earned will be based upon the market rates for municipal securities with maturities or remarketing provisions that are comparable in duration to the periodic interval of the tender option, which may vary from weekly, to monthly, to extended periods of one year or multiple years. Since the option feature has a shorter term than the final maturity or first call date of the underlying bond deposited in the trust, a Fund, as the holder of the floating rate securities, relies upon the terms of the agreement with the financial institution furnishing the option as well as the credit strength of that institution. As further assurance of liquidity, the terms of the trust provide for a liquidation of the municipal bond deposited in the trust and the application of the proceeds to pay off the floating rate securities. The trusts that are organized to issue both short-term floating rate securities and inverse floaters generally include liquidation triggers to protect the investor in the floating rate securities.

Special Taxing Districts. Special taxing districts are organized to plan and finance infrastructure developments to induce residential, commercial and industrial growth and redevelopment. The bond financing methods such as tax increment finance, tax assessment, special services district and Mello-Roos bonds, are generally payable solely from taxes or other revenues attributable to the specific projects financed by the bonds without recourse to the credit or taxing power of related or overlapping municipalities. They often are exposed to real estate development-related risks and can have more taxpayer concentration risk than general tax-supported bonds, such as general obligation bonds. Further, the fees, special taxes, or tax allocations and other revenues that are established to secure such financings are generally limited as to the rate or amount that may be levied or assessed and are not subject to increase pursuant to rate covenants or municipal or corporate guarantees. The bonds could default if development failed to progress as anticipated or if larger taxpayers failed to pay the assessments, fees and taxes as provided in the financing plans of the districts.

The foregoing information constitutes only a brief summary of some of the general factors which may impact certain issuers of municipal bonds and does not purport to be a complete or exhaustive description of all adverse conditions to which the issuers of municipal bonds held by the Funds are subject. Additionally, many factors including national economic, social and environmental policies and conditions, which are not within the control of the issuers of the municipal bonds, could affect or could have an adverse impact on the financial condition of the issuers. The Funds are unable to predict whether or to what extent such factors or other factors may affect the issuers of the municipal bonds, the market value or marketability of the municipal bonds or the ability of the respective issuers of the municipal bonds acquired by a Fund to pay interest on or principal of the municipal bonds. This information has not been independently verified.

Derivatives and Hedging Strategies

The Funds may periodically engage in hedging transactions, and otherwise use various types of derivative instruments, described below, to reduce risk, to effectively gain particular market exposures, to seek to enhance returns, and to reduce transaction costs, among other reasons. In addition to inverse floating rate securities and structured notes, each Fund may invest in certain other 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 whose prices, in the Adviser's and/or the Sub-Adviser's opinion, correlate with the prices of the Fund's investments. The Adviser and/or the Sub-Adviser uses derivatives to shorten or lengthen the effective duration of a Fund's portfolio securities,

and therefore the interest rate risk, and to adjust other aspects of the portfolio's risk/return profile. Each Fund may use these instruments if the Fund deems it more efficient from a transaction cost, total return or income standpoint than investing in cash securities.

Hedging is a term used for various methods of seeking to preserve portfolio capital value by offsetting price changes in one investment through making another investment whose price should tend to move in the opposite direction.

A derivative is a financial contract whose value is based on (or derived from) a traditional security (such as a stock or a bond), an asset (such as a commodity like gold), or a market index (such as the Barclays Capital Municipal Bond Index). Some forms of derivatives may trade on exchanges, while non-standardized derivatives, which tend to be more specialized and complex, trade in over-the-counter or a one-on-one basis. It may be desirable and possible in various market environments to partially hedge the portfolio against fluctuations in market value due to market interest rate or credit quality fluctuations, or instead to gain a desired investment exposure, by entering into various types of derivative transactions, including financial futures and index futures as well as related put and call options on such instruments, structured notes, or interest rate swaps on taxable or tax-exempt securities or indexes (which may be forward-starting), credit default swaps, and options on interest rate swaps, among others.

These transactions present certain risks. In particular, the imperfect correlation between price movements in the futures contract and price movements in the securities being hedged creates the possibility that losses on the hedge by the Funds may be greater than gains in the value of the securities in the Funds' portfolios. In addition, futures and options markets may not be liquid in all circumstances. As a result, in volatile markets, the Funds may not be able to close out the transaction without incurring losses substantially greater than the initial deposit. Finally, the potential deposit requirements in futures contracts create an ongoing greater potential financial risk than do options transactions, where the exposure is limited to the cost of the initial premium. Losses due to hedging transactions will reduce yield. Net gains, if any, from hedging and other portfolio transactions will be distributed as taxable distributions to shareholders. Successful implementation of most hedging strategies will generate taxable income.

The Fund will invest in these instruments only in markets believed by the Adviser and/or the Sub-Adviser to be active and sufficiently liquid.

The Adviser and/or the Sub-Adviser may use derivative instruments to seek to enhance return, to hedge some of the risk of a Fund's investments in municipal securities or as a substitute for a position in the underlying asset. These types of strategies may generate taxable income.

There is no assurance that these derivative strategies will be available at any time or that the Adviser and/or the Sub-Adviser will determine to use them for a Fund or, if used, that the strategies will be successful.

Swap Transactions. The Funds may enter into total return, interest rate and credit default swap agreements and interest rate caps, floors and collars. The Funds may also enter into options on the foregoing types of swap agreements (swap options).

Each Fund may enter into swap transactions for any purpose consistent with its investment objective, such as for the purpose of attempting to obtain or preserve a particular return or spread at a

lower cost than obtaining a return or spread through purchases and/or sales of instruments in other markets, as a duration management technique, to reduce risk arising from the ownership of a particular instrument, or to gain exposure to certain sectors or markets in the most economical way possible.

Swap agreements are two party contracts entered into primarily by institutional investors for a specified period of time. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on a particular predetermined asset, reference rate or index. The gross returns to be exchanged or swapped between the parties are generally calculated with respect to a notional amount, e.g., the return on or increase in value of a particular dollar amount invested at a particular interest rate or in a basket of securities representing a particular index. The notional amount of the swap agreement generally is only used as a basis upon which to calculate the obligations that the parties to the swap agreement have agreed to exchange. A Fund's current obligations under a net swap agreement will be accrued daily (offset against any amounts owed to the Fund) and any accrued but unpaid net amounts owed to a swap counterparty will be covered by assets determined to be liquid by the Sub-Adviser. See *Segregation of Assets* below.

Some, but not all, swaps may be cleared, in which case a central clearing counterparty stands between each buyer and seller and effectively guarantees performance of each contract, to the extent of its available resources for such purpose. Uncleared swaps have no such protection; each party bears the risk that its direct counterparty will default.

Interest Rate Swaps, Caps, Collars and Floors. Interest rate swaps are bilateral contracts in which each party agrees to make periodic payments to the other party based on different referenced interest rates (e.g., a fixed rate and a floating rate) applied to a specified notional amount. The purchase of an interest rate floor entitles the purchaser, to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a notional principal amount from the party selling such interest rate floor. The purchase of an interest rate cap entitles the purchaser, to the extent that a specified index rises above a predetermined interest rate, to receive payments of interest on a notional principal amount from the party selling such interest rate cap. Interest rate collars involve selling a cap and purchasing a floor or vice versa to protect a Fund against interest rate movements exceeding given minimum or maximum levels.

The use of interest rate transactions, such as interest rate swaps and caps, is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio security transactions. Depending on the state of interest rates in general, a Fund's use of interest rate swaps or caps could enhance or harm the overall performance of such Fund's common shares. To the extent there is a decline in interest rates, the value of the interest rate swap or cap could decline, and could result in a decline in the net asset value of the common shares. In addition, if short-term interest rates are lower than a Fund's fixed rate of payment on the interest rate swap, the swap will reduce common share net earnings. If, on the other hand, short-term interest rates are higher than the fixed rate of payment on the interest rate swap, the swap will enhance common share net earnings. Buying interest rate caps could enhance the performance of the common shares by providing a maximum leverage expense. Buying interest rate caps could also decrease the net earnings of the common shares in the event that the premium paid by a Fund to the counterparty exceeds the additional amount such Fund would have been required to pay had it not entered into the cap agreement.

Total Return Swaps. In a total return swap, one party agrees to pay the other the total return of a defined underlying asset during a specified period, in return for periodic payments based on a

fixed or variable interest rate or the total return from other underlying assets. A total return swap may be applied to any underlying asset but is most commonly used with equity indices, single stocks, bonds and defined baskets of loans and mortgages. A Fund might enter into a total return swap involving an underlying index or basket of securities to create exposure to a potentially widely-diversified range of securities in a single trade. An index total return swap can be used by the Adviser and/or the Sub-Adviser to assume risk, without the complications of buying the component securities from what may not always be the most liquid of markets.

In connection with a Fund's position in a swap contract, the Fund will segregate liquid assets or will otherwise cover its position in accordance with applicable SEC requirements. See "Segregation of Assets" below.

Credit Default Swaps. A credit default swap is a bilateral contract that enables an investor to buy or sell protection against a defined-issuer credit event. A Fund may enter into credit default swap agreements either as a buyer or a seller. A Fund may buy protection to attempt to mitigate the risk of default or credit quality deterioration in an individual security or a segment of the fixed income securities market to which it has exposure, or to take a short position in individual bonds or market segments which it does not own. A Fund may sell protection in an attempt to gain exposure to the credit quality characteristics of particular bonds or market segments without investing directly in those bonds or market segments.

As the buyer of protection in a credit default swap, a Fund would pay a premium (by means of an upfront payment or a periodic stream of payments over the term of the agreement) in return for the right to deliver a referenced bond or group of bonds to the protection seller and receive the full notional or par value (or other agreed upon value) upon a default (or similar event) by the issuer(s) of the underlying referenced obligation(s). If no default occurs, the protection seller would keep the stream of payments and would have no further obligation to the Fund. Thus, the cost to the Fund would be the premium paid with respect to the agreement. If a credit event occurs, however, the Fund may elect to receive the full notional value of the swap in exchange for an equal face amount of deliverable obligations of the reference entity that may have little or no value. The Fund bears the risk that the protection seller may fail to satisfy its payment obligations.

If a Fund is a seller of protection in a credit default swap and no credit event occurs, the Fund would generally receive an up-front payment or a periodic stream of payments over the term of the swap. If a credit event occurs, however, generally the Fund would have to pay the buyer the full notional value of the swap in exchange for an equal face amount of deliverable obligations of the reference entity that may have little or no value. As the protection seller, the Fund effectively adds economic leverage to its portfolio because, in addition to being subject to investment exposure on its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. Thus, the Fund bears the same risk as it would by buying the reference obligations directly, plus the additional risks related to obtaining investment exposure through a derivative instrument discussed below under "Risks Associated with Swap Transactions."

Swap Options. A swap option is a contract that gives a counterparty the right (but not the obligation), in return for payment of a premium, to enter into a new swap agreement or to shorten, extend, cancel, or otherwise modify an existing swap agreement at some designated future time on specified terms. A cash-settled option on a swap gives the purchaser the right, in return for the premium paid, to receive an amount of cash equal to the value of the underlying swap as of the

exercise date. A Fund may write (sell) and purchase put and call swap options. Depending on the terms of the particular option agreement, a Fund generally would incur a greater degree of risk when it writes a swap option than when it purchases a swap option. When a Fund purchases a swap option, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised. However, when a Fund writes a swap option, upon exercise of the option the Fund would become obligated according to the terms of the underlying agreement.

Risks Associated with Swap Transactions. The use of swap transactions is a highly specialized activity which involves strategies and risks different from those associated with ordinary portfolio security transactions. If the Adviser and/or the Sub-Adviser is incorrect in its forecasts of default risks, market spreads or other applicable factors or events, the investment performance of a Fund would diminish compared with what it would have been if these techniques were not used. As the protection seller in a credit default swap, a Fund effectively adds economic leverage to its portfolio because, in addition to being subject to investment exposure on its total net assets, the Fund is subject to investment exposure on the notional amount of the swap. A Fund generally may only close out a swap, cap, floor, collar or other two-party contract with its particular counterparty, and generally may only transfer a position with the consent of that counterparty. In addition, the price at which a Fund may close out such a two party contract may not correlate with the price change in the underlying reference asset. If the counterparty defaults, the Fund will have contractual remedies, but there can be no assurance that the counterparty will be able to meet its contractual obligations or that the Fund will succeed in enforcing its rights. It also is possible that developments in the derivatives market, including changes in government regulation, could adversely affect a Fund's ability to terminate existing swap or other agreements or to realize amounts to be received under such agreements.

Futures and Options on Futures Generally. A futures contract is an agreement between two parties to buy and sell a security, index or interest rate (each a financial instrument) for a set price on a future date. Certain futures contracts, such as futures contracts relating to individual securities, call for making or taking delivery of the underlying financial instrument. However, these contracts generally are closed out before delivery by entering into an offsetting purchase or sale of a matching futures contract (same exchange, underlying financial instrument, and delivery month). Other futures contracts, such as futures contracts on interest rates and indices, do not call for making or taking delivery of the underlying financial instrument, but rather are agreements pursuant to which two parties agree to take or make delivery of an amount of cash equal to the difference between the value of the financial instrument at the close of the last trading day of the contract and the price at which the contract was originally written. These contracts also may be settled by entering into an offsetting futures contract.

Unlike when a Fund purchases or sells a security, no price is paid or received by a Fund upon the purchase or sale of a futures contract. Initially, a Fund will be required to deposit with the futures broker, known as a futures commission merchant (FCM), an amount of cash or securities equal to a varying specified percentage of the contract amount. This amount is known as initial margin. The margin deposit is intended to ensure completion of the contract. Minimum initial margin requirements are established by the futures exchanges and may be revised. In addition, FCMs may establish margin deposit requirements that are higher than the exchange minimums. Cash held in the margin account generally is not income producing. However, coupon-bearing securities, such as Treasury securities, held in margin accounts generally will earn income. Subsequent payments to and from the FCM, called variation margin, will be made on a daily basis as the price of the underlying financial instrument fluctuates, making the futures contract more or less valuable, a process known as marking the contract

to market. Changes in variation margin are recorded by a Fund as unrealized gains or losses. At any time prior to expiration of the futures contract, a Fund may elect to close the position by taking an opposite position that will operate to terminate its position in the futures contract. A final determination of variation margin is then made, additional cash is required to be paid by or released to a Fund, and the Fund realizes a gain or loss. In the event of the bankruptcy or insolvency of an FCM that holds margin on behalf of a Fund, the Fund may be entitled to the return of margin owed to it only in proportion to the amount received by the FCM's other customers, potentially resulting in losses to the Fund. Futures transactions also involve brokerage costs and a Fund may have to segregate additional liquid assets in accordance with applicable SEC requirements. See *Segregation of Assets* below.

A futures option gives the purchaser of such option the right, in return for the premium paid, to assume a long position (call) or short position (put) in a futures contract at a specified exercise price at any time during the period of the option. Upon exercise of a call option, the purchaser acquires a long position in the futures contract and the writer is assigned the opposite short position. Upon the exercise of a put option, the opposite is true.

Bond Futures and Forward Contracts. Bond futures contracts are agreements in which one party agrees to deliver to the other an amount of cash equal to a specific dollar amount times the difference between the value of a specific bond at the close of the last trading day of the contract and the price at which the agreement is made. No physical delivery of securities is made. Forward contracts are agreements to purchase or sell a specified security or currency at a specified future date (or within a specified time period) and price set at the time of the contract. Forward contracts are usually entered into with banks, foreign exchange dealers or broker-dealers and are usually for less than one year, but may be renewed. Forward contracts are generally purchased or sold in over-the-counter transactions.

Under regulations of the Commodity Futures Trading Commission (CFTC) currently in effect, which may change from time to time, with respect to futures contracts purchased by the Funds, the Funds will set aside in a segregated account liquid securities with a value at least equal to the value of instruments underlying such futures contracts less the amount of initial margin on deposit for such contracts. The current view of the staff of the SEC is that the Funds' long and short positions in futures contracts must be collateralized with cash or certain liquid assets held in a segregated account or covered in order to counter the impact of any potential leveraging.

Parties to a futures contract must make initial margin deposits to secure performance of the contract. There are also requirements to make variation margin deposits from time to time as the value of the futures contract fluctuates.

Options on Currency Futures Contracts. Currency futures contracts are standardized agreements between two parties to buy and sell a specific amount of a currency at a set price on a future date. While similar to currency forward contracts, currency futures contracts are traded on commodities exchanges and are standardized as to contract size and delivery date. An option on a currency futures contract gives the holder of the option the right to buy or sell a position in a currency futures contract, at a set price and on or before a specified expiration date. Trading options on international (non-U.S.) currency futures contracts is relatively new. The ability to establish and close out positions on such options is subject to the maintenance of a liquid secondary market.

Index Futures. A tax-exempt bond index which assigns relative values to the tax-exempt bonds included in the index is traded on the Chicago Board of Trade. The index fluctuates with changes in the market values of all tax-exempt bonds included rather than a single bond. An index

future is a bilateral agreement pursuant to which two parties agree to take or make delivery of an amount of cash rather than any security equal to a specified dollar amount times the difference between the index value at the close of the last trading day of the contract and the price at which the index future was originally written. Thus, an index future is similar to traditional financial futures except that settlement is made in cash.

Index Options. Each Fund may also purchase put or call options on U.S. government or tax-exempt bond index futures and enter into closing transactions with respect to such options to terminate an existing position. Options on index futures are similar to options on debt instruments except that an option on an index future gives the purchaser the right, in return for the premium paid, to assume a position in an index contract rather than an underlying security at a specified exercise price at any time during the period of the option. Upon exercise of the option, the delivery of the futures position by the writer of the option to the holder of the option will be accompanied by delivery of the accumulated balance of the writer's futures margin account which represents the amount by which the market price of the index futures contract, at exercise, is less than the exercise price of the option on the index future.

Bond index futures and options transactions would be subject to risks similar to transactions in financial futures and options thereon as described above.

Limitations on the Use of Futures, Futures Options and Swaps. In February 2012, the CFTC announced substantial amendments to certain exemptions, and to the conditions for reliance on those exemptions, from registration as a commodity pool operator. Under amendments to the exemption provided under CFTC Regulation 4.5, if a Fund uses futures, options on futures, or swaps other than for bona fide hedging purposes (as defined by the CFTC), the aggregate initial margin and premiums on these positions (after taking into account unrealized profits and unrealized losses on any such positions and excluding the amount by which options that are in-the-money at the time of purchase are in-the-money) may not exceed 5% of the Fund's net asset value, or alternatively, the aggregate net notional value of those positions may not exceed 100% of the Fund's net asset value (after taking into account unrealized profits and unrealized losses on any such positions). The CFTC amendments to Regulation 4.5 took effect on December 31, 2012, and each Fund intends to comply with amended Regulation 4.5's requirements such that the Adviser and/or the Sub-Adviser will not be required to register with respect to the Fund as a commodity pool operator with the CFTC. Each Fund reserves the right to engage in transactions involving futures, options thereon and swaps to the extent allowed by CFTC regulations in effect from time to time and in accordance with the Fund's policies. The requirements for qualification as a regulated investment company may limit the extent to which a Fund may enter into futures transactions, engage in options transactions or engage in swap transactions.

Segregation of Assets

As a closed-end investment company registered with the SEC, each Fund is subject to the federal securities laws, including the 1940 Act, the rules thereunder, and various interpretive provisions of the SEC and its staff. In accordance with these laws, rules and positions, each Fund must set aside (often referred to as asset segregation) liquid assets, or engage in other SEC or staff-approved measures, to cover open positions with respect to certain kinds of derivatives instruments. In the case of forward currency contracts that are not contractually required to cash settle, for example, a Fund must set aside liquid assets equal to such contracts' full notional value while the positions are open. With respect to forward currency contracts that are contractually required to cash settle, however, a

Fund is permitted to set aside liquid assets in an amount equal to the Fund's daily marked-to-market net obligations (i.e., the Fund's daily net liability) under the contracts, if any, rather than such contracts' full notional value. Each Fund reserves the right to modify its asset segregation policies in the future to comply with any changes in the positions from time to time articulated by the SEC or its staff regarding asset segregation.

To the extent that a Fund uses its assets to cover its obligations as required by the 1940 Act, the rules thereunder, and applicable positions of the SEC and its staff, such assets may not be used for other operational purposes. The Adviser and/or the Sub-Adviser will monitor the Funds' use of derivatives and will take action as necessary for the purpose of complying with the asset segregation policy stated above. Such actions may include the sale of a Fund's portfolio investments.

Each Fund may invest in inverse floating rate securities issued by special purpose trusts. With respect to such investments, each Fund will segregate or earmark assets in an amount equal to at least 100% of the face amount of the floating rate securities issued by such trusts.

Short-Term Investments

Short-Term Taxable Fixed Income Securities. For temporary defensive purposes or to keep cash on hand fully invested, each Fund may invest up to 100% of its net assets in cash equivalents and short-term taxable fixed-income securities, although each Fund intends to invest in taxable short-term investments only in the event that suitable tax-exempt short-term investments are not available at reasonable prices and yields. Investment in taxable short-term investments would result in a portion of the dividends paid being subject to regular federal income tax, the federal alternative minimum tax applicable to individuals and Pennsylvania personal income tax. Short-term taxable fixed income investments are defined to include, without limitation, the following:

(a) U.S. government securities, including bills, notes and bonds differing as to maturity and rates of interest that are either issued or guaranteed by the U.S. Treasury or by U.S. government agencies or instrumentalities. U.S. government agency securities include securities issued by (a) the Federal Housing Administration, Farmers Home Administration, Export-Import Bank of the United States, Small Business Administration, and the Government National Mortgage Association, whose securities are supported by the full faith and credit of the United States; (b) the Federal Home Loan Banks, Federal Intermediate Credit Banks, and the Tennessee Valley Authority, whose securities are supported by the right of the agency to borrow from the U.S. Treasury; (c) the Federal National Mortgage Association, whose securities are supported by the discretionary authority of the U.S. government to purchase certain obligations of the agency or instrumentality; and (d) the Student Loan Marketing Association, whose securities are supported only by its credit. While the U.S. government provides financial support to such U.S. government-sponsored agencies or instrumentalities, no assurance can be given that it always will do so since it is not so obligated by law. The U.S. government, its agencies, and instrumentalities do not guarantee the market value of their securities. Consequently, the value of such securities may fluctuate.

(b) Certificates of Deposit issued against funds deposited in a bank or a savings and loan association. Such certificates are for a definite period of time, earn a specified rate of return, and are normally negotiable. The issuer of a certificate of deposit agrees to pay the amount deposited plus interest to the bearer of the certificate on the date specified thereon. Under current FDIC regulations, the maximum insurance payable as to any one certificate of deposit is \$100,000; therefore, certificates of deposit purchased by the Funds may not be fully insured.

(c) Repurchase agreements, which involve purchases of debt securities. At the time a Fund purchases securities pursuant to a repurchase agreement, it simultaneously agrees to resell and redeliver such securities to the seller, who also simultaneously agrees to buy back the securities at a fixed price and time. This assures a predetermined yield for a Fund during its holding period, since the resale price is always greater than the purchase price and reflects an agreed-upon market rate. Such actions afford an opportunity for the Funds to invest temporarily available cash. The Funds may enter into repurchase agreements only with respect to obligations of the U.S. government, its agencies or instrumentalities; certificates of deposit; or bankers' acceptances in which the Funds may invest. Repurchase agreements may be considered loans to the seller, collateralized by the underlying securities. The risk to the Funds is limited to the ability of the seller to pay the agreed-upon sum on the repurchase date; in the event of default, the repurchase agreement provides that the Funds are entitled to sell the underlying collateral. If the seller defaults under a repurchase agreement when the value of the underlying collateral is less than the repurchase price, a Fund could incur a loss of both principal and interest. The Adviser and/or the Sub-Adviser monitors the value of the collateral at the time the action is entered into and at all times during the term of the repurchase agreement. The Adviser and/or the Sub-Adviser does so in an effort to determine that the value of the collateral always equals or exceeds the agreed-upon repurchase price to be paid to the Funds. If the seller were to be subject to a federal bankruptcy proceeding, the ability of the Funds to liquidate the collateral could be delayed or impaired because of certain provisions of the bankruptcy laws.

(d) Commercial paper, which consists of short-term unsecured promissory notes, including variable rate master demand notes issued by corporations to finance their current operations. Master demand notes are direct lending arrangements between the Funds and a corporation. There is no secondary market for such notes. However, they are redeemable by the Funds at any time. The Adviser and/or the Sub-Adviser will consider the financial condition of the corporation (e.g., earning power, cash flow, and other liquidity measures) and will continuously monitor the corporation's ability to meet all of its financial obligations, because a Fund's liquidity might be impaired if the corporation were unable to pay principal and interest on demand. Investments in commercial paper will be limited to commercial paper rated in the highest categories by a major rating agency and which mature within one year of the date of purchase or carry a variable or floating rate of interest.

Short-Term Tax-Exempt Fixed Income Securities. Short-term tax-exempt fixed income securities are securities that are exempt from regular federal income tax and mature within three years or less from the date of issuance. Short-term tax-exempt fixed income securities are defined to include, without limitation, the following:

1. Bond Anticipation Notes (BANs) are usually general obligations of state and local governmental issuers which are sold to obtain interim financing for projects that will eventually be funded through the sale of long-term debt obligations or bonds. The ability of an issuer to meet its obligations on its BANs is primarily dependent on the issuer's access to the long-term municipal bond market and the likelihood that the proceeds of such bond sales will be used to pay the principal and interest on the BANs.
2. Tax Anticipation Notes (TANs) are issued by state and local governments to finance the current operations of such governments. Repayment is generally to be derived from specific future tax revenues. TANs are usually general obligations of the issuer. A weakness in an issuer's capacity to raise taxes due to, among other things, a decline in its tax base or a rise in delinquencies, could adversely affect the issuer's ability to meet its obligations on outstanding TANs.

3. Revenue Anticipation Notes (RANs) are issued by governments or governmental bodies with the expectation that future revenues from a designated source will be used to repay the notes. In general, they also constitute general obligations of the issuer. A decline in the receipt of projected revenues, such as anticipated revenues from another level of government, could adversely affect an issuer's ability to meet its obligations on outstanding RANs. In addition, the possibility that the revenues would, when received, be used to meet other obligations could affect the ability of the issuer to pay the principal and interest on RANs.

4. Construction Loan Notes are issued to provide construction financing for specific projects. Frequently, these notes are redeemed with funds obtained from the Federal Housing Administration.

5. Bank Notes are notes issued by local government bodies and agencies, such as those described above, to commercial banks as evidence of borrowings. The purposes for which the notes are issued are varied but they are frequently issued to meet short-term working capital or capital project needs. These notes may have risks similar to the risks associated with TANs and RANs.

6. Tax-Exempt Commercial Paper (Municipal Paper) represents very short-term unsecured, negotiable promissory notes issued by states, municipalities and their agencies. Payment of principal and interest on issues of municipal paper may be made from various sources to the extent the funds are available therefrom. Maturities of municipal paper generally will be shorter than the maturities of TANs, BANs or RANs. There is a limited secondary market for issues of Municipal Paper.

Certain municipal securities may carry variable or floating rates of interest whereby the rate of interest is not fixed but varies with changes in specified market rates or indices, such as a bank prime rate or a tax-exempt money market index.

While the various types of notes described above as a group represent the major portion of the short-term tax-exempt note market, other types of notes are available in the marketplace and the Funds may invest in such other types of notes to the extent permitted under their investment objectives, policies and limitations. Such notes may be issued for different purposes and may be secured differently from those mentioned above.

When-Issued and Delayed Delivery Transactions

Each Fund may buy and sell municipal securities on a when-issued or delayed delivery basis, making payment or taking delivery at a later date, normally within 15-45 days of the trade date. On such transactions the payment obligation and the interest rate are fixed at the time the buyer enters into the commitment. Beginning on the date a Fund enters into a commitment to purchase securities on a when-issued or delayed delivery basis, the Fund is required under rules of the SEC to maintain in a separate account liquid assets, consisting of cash, cash equivalents or liquid securities having a market value, at all times, of at least equal to the amount of the commitment. Income generated by any such assets which provide taxable income for federal income tax purposes is includable in the taxable income of a Fund. A Fund may enter into contracts to purchase municipal securities on a forward basis (i.e., where settlement will occur more than 60 days from the date of the transaction) only to the extent that the Fund specifically collateralizes such obligations with a security that is expected to be called or mature within 60 days before or after the settlement date of the forward transaction. The commitment

to purchase securities on a when-issued, delayed delivery or forward basis may involve an element of risk because no interest accrues on the bonds prior to settlement and at the time of delivery the market value may be less than cost.

Structured Notes

Each Fund may utilize structured notes and similar instruments for investment purposes and also for hedging purposes. Structured notes are privately negotiated debt obligations where the principal and/or interest is determined by reference to the performance of a benchmark asset, market or interest rate (an embedded index), such as selected securities, an index of securities or specified interest rates, or the differential performance of two assets or markets. The terms of such structured instruments normally provide that their principal and/or interest payments are to be adjusted upwards or downwards (but not ordinarily below zero) to reflect changes in the embedded index while the structured instruments are outstanding. As a result, the interest and/or principal payments that may be made on a structured product may vary widely, depending upon a variety of factors, including the volatility of the embedded index and the effect of changes in the embedded index on principal and/or interest payments. The rate of return on structured notes may be determined by applying a multiplier to the performance or differential performance of the referenced index or indices or other assets. Application of a multiplier involves leverage that will serve to magnify the potential for gain and the risk of loss.

Other Investment Companies

Each Fund may invest up to 10% of its Managed Assets 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. In addition, a 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. Each Fund generally expects that it may invest in other investment companies and/or other pooled investment vehicles either during periods when it has large amounts of uninvested cash or during periods when there is a shortage of attractive, high-yielding municipal securities available in the market. Each Fund may invest in investment companies that are advised by the Adviser and/or the Sub-Adviser or its affiliates to the extent permitted by applicable law and/or pursuant to exemptive relief from the SEC. The Funds have not applied for and currently do not intend to apply for such relief. As a shareholder in an investment company, a Fund will bear its ratable share of that investment company's expenses and would remain subject to payment of the Funds' management, advisory and administrative fees with respect to assets so invested. Common shareholders would therefore be subject to duplicative expenses to the extent a Fund invests in other investment companies.

The Adviser and/or the Sub-Adviser will take expenses into account when evaluating the investment merits of an investment in an investment company relative to available municipal security investments. In addition, the securities of other investment companies may also be leveraged and will therefore be subject to the same leverage risks described herein. As described in the Joint Proxy Statement/Prospectus, the net asset value and market value of leveraged shares will be more volatile and the yield to common shareholders will tend to fluctuate more than the yield generated by unleveraged shares.

Other Investment Policies and Techniques

Illiquid Securities. Each 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 that are deemed to be illiquid, and certain repurchase agreements.

Restricted securities may be sold only in privately negotiated transactions or in a public offering with respect to which a registration statement is in effect under the Securities Act. Where registration is required, a Fund may be obligated to pay all or part of the registration expenses and a considerable period may elapse between the time of the decision to sell and the time the Fund may be permitted to sell a security under an effective registration statement. If, during such a period, adverse market conditions were to develop, a Fund might obtain a less favorable price than that which prevailed when it decided to sell. Illiquid Securities will be priced at a fair value as determined in good faith by the Board of Trustees or its delegatee.

Portfolio Trading and Turnover Rate. Portfolio trading may be undertaken to accomplish the investment objectives of a Fund in relation to actual and anticipated movements in interest rates. In addition, a security may be sold and another of comparable quality purchased at approximately the same time to take advantage of what the Adviser and/or the Sub-Adviser believes to be a temporary price disparity between the two securities. Temporary price disparities between two comparable securities may result from supply and demand imbalances where, for example, a temporary oversupply of certain bonds may cause a temporarily low price for such bonds, as compared with other bonds of like quality and characteristics. Each Fund may also engage to a limited extent in short-term trading consistent with its investment objectives. Securities may be sold in anticipation of a market decline (a rise in interest rates) or purchased in anticipation of a market rise (a decline in interest rates) and later sold.

Subject to the foregoing, each Fund will attempt to achieve its investment objectives by prudent selection of municipal securities with a view to holding them for investment. While there can be no assurance thereof, each Fund anticipates that its annual portfolio turnover rate will generally not exceed 100%. However, the rate of turnover will not be a limiting factor when a Fund deems it desirable to sell or purchase securities. Therefore, depending upon market conditions, the annual portfolio turnover rate of a Fund may exceed 100% in particular years. A higher portfolio turnover rate would result in correspondingly greater brokerage commissions and other transactional expenses that are borne by a Fund. Although these commissions and expenses are not reflected in the Funds' Total Annual Expenses in the Joint Proxy Statement/Prospectus, they will be reflected in the Funds' total return. In addition, high portfolio turnover may result in the realization of net short-term capital gains by a Fund which, when distributed to shareholders, will be taxable as ordinary income. See Tax Matters Federal Income Tax Matters.

Repurchase Agreements. As temporary investments, the Funds may invest in repurchase agreements. A repurchase agreement is a contractual agreement whereby the seller of securities (U.S. government securities or municipal securities) agrees to repurchase the same security at a specified price on a future date agreed upon by the parties. The agreed-upon repurchase price determines the yield during a Fund's holding period. Repurchase agreements are considered to be loans collateralized by the underlying security that is the subject of the repurchase contract. Income generated from transactions in repurchase agreements will be taxable. See Tax Matters Federal Income Tax

Matters for information relating to the allocation of taxable income between common shares and preferred shares. A Fund will only enter into repurchase agreements with registered securities dealers or domestic banks that, in the opinion of the Adviser and/or the Sub-Adviser, present minimal credit risk. The risk to a Fund is limited to the ability of the issuer to pay the agreed-upon repurchase price on the delivery date; however, although the value of the underlying collateral at the time the transaction is entered into always equals or exceeds the agreed-upon repurchase price, if the value of the collateral declines there is a risk of loss of both principal and interest. In the event of default, the collateral may be sold but a Fund might incur a loss if the value of the collateral declines, and might incur disposition costs or experience delays in connection with liquidating the collateral. In addition, if bankruptcy proceedings are commenced with respect to the seller of the security, realization upon the collateral by a Fund may be delayed or limited. The Adviser and/or the Sub-Adviser will monitor the value of the collateral at the time the transaction is entered into and at all times subsequent during the term of the repurchase agreement in an effort to determine that such value always equals or exceeds the agreed-upon repurchase price. In the event the value of the collateral declines below the repurchase price, the Adviser and/or the Sub-Adviser will demand additional collateral from the issuer to increase the value of the collateral to at least that of the repurchase price, including interest.

Zero Coupon Bonds. A zero coupon bond is a bond that typically does not pay interest for its entire life. When held to its maturity, the holder receives the par value of the zero coupon bond, which generates a return equal to the difference between the purchase price and its maturity value. A zero coupon bond is normally issued and traded at a deep discount from face value. This original issue discount (OID) approximates the total amount of interest the security will accrue and compound prior to its maturity and reflects the payment deferral and credit risk associated with the instrument. Because zero coupon securities and other OID instruments do not pay cash interest at regular intervals, the instruments ongoing accruals require ongoing judgments concerning the collectability of deferred payments and the value of any associated collateral. As a result, these securities may be subject to greater value fluctuations and less liquidity in the event of adverse market conditions than comparably rated securities that pay cash on a current basis. Because zero coupon bonds, and OID instruments generally, allow an issuer to avoid or delay the need to generate cash to meet current interest payments, they may involve greater payment deferral and credit risk than coupon loans and bonds that pay interest currently or in cash. A Fund generally will be required to distribute dividends to shareholders representing the income of these instruments as it accrues, even though the Fund will not receive all of the income on a current basis or in cash. Thus, a Fund may have to sell other investments, including when it may not be advisable to do so, and use the cash proceeds to make income distributions to its shareholders. For accounting purposes, these cash distributions to shareholders will not be treated as a return of capital.

Further, the Adviser collects management fees on the value of a zero coupon bond or OID instrument attributable to the ongoing non-cash accrual of interest over the life of the bond or other instrument. As a result, the Adviser receives non-refundable cash payments based on such non-cash accruals while investors incur the risk that such non-cash accruals ultimately may not be realized.

INVESTMENT RESTRICTIONS

In addition to each Fund's investment objectives, the following investment restrictions are fundamental policies for the Funds and may not be changed without the approval of the holders of a majority of the outstanding common shares and preferred shares of such Fund, voting together as a single class, and of the holders of a majority of the outstanding preferred shares, voting separately as a

single class. For this purpose, a majority of the outstanding shares means the vote of (1) 67% or more of the voting securities present at a meeting, if the holders of more than 50% of the outstanding voting securities are present or represented by proxy; or (2) more than 50% of the outstanding voting securities, whichever is less.

Except as described below, each Fund may not:*

| Acquiring Fund | Premium Income | Dividend Advantage and Dividend Advantage 2 |
|--|---|--|
| 1) Issue senior securities, as defined in the 1940 Act, other than preferred shares, except to the extent such issuance might be involved with respect to borrowings described under subparagraph (2) below or with respect to transactions involving futures contracts or the writing of options within the limits described in [this registration statement]. | Issue senior securities, as defined in the 1940 Act, other than preferred shares, except to the extent such issuance might be involved with respect to borrowings described under subparagraph (2) below or with respect to transactions involving futures contracts or the writing of options within the limits described in [this registration statement]. | Issue senior securities, as defined in the Investment Company Act of 1940, other than [preferred shares] except to the extent permitted under the Investment Company Act of 1940 and except as otherwise described in the Prospectus. |
| 2) 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. | 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. | 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) less the Fund's liabilities (other than borrowings). |
| 3) Underwrite any issue of securities, except to the extent that the purchase of municipal obligations in accordance with its investment objectives, policies and limitations may be deemed to be an underwriting. | Underwrite any issue of securities, except to the extent that the purchase of municipal obligations in accordance with its investment objectives, policies and limitations may be deemed to be an underwriting. | Act as underwriter of another issuer's securities, except to the extent that the Fund may be deemed to be an underwriter within the meaning of the Securities Act of 1933 in connection with the purchase and sale of portfolio securities. |

* Bracketed items in the table have been updated to reflect the current capital structure, terminology and section references.

| Acquiring Fund | Premium Income | Dividend Advantage and Dividend Advantage 2 |
|--|---|---|
| <p>4) Invest more than 25% of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not be applicable to municipal obligations other than those municipal obligations backed only by the assets and revenues of non-governmental users, nor shall it apply to municipal obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.</p> | <p>Invest more than 25% of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not be applicable to municipal obligations other than those municipal obligations backed only by the assets and revenues of non-governmental users, nor shall it apply to municipal obligations issued or guaranteed by the U.S. Government, its agencies or instrumentalities.</p> | <p>Invest more than 25% of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not apply to municipal bonds other than those municipal bonds backed only by the assets and revenues of non-governmental users.</p> |
| <p>5) Purchase or sell real estate, but this shall not prevent the Fund from investing in municipal obligations secured by real estate or interests therein.</p> | <p>Purchase or sell real estate, but this shall not prevent the Fund from investing in municipal obligations secured by real estate or interests therein or foreclosing upon and selling such security.</p> | <p>Purchase or sell real estate, but this shall not prevent the Fund from investing in municipal bonds secured by real estate or interests therein or foreclosing upon and selling such security.</p> |
| <p>6) Purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or derivative instruments or from investing in securities or other instruments backed by physical commodities).</p> | <p>Purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts or derivative instruments or from investing in securities or other instruments backed by physical commodities).</p> | <p>Purchase or sell physical commodities unless acquired as a result of ownership of securities or other instruments (but this shall not prevent the Fund from purchasing or selling options, futures contracts, derivative instruments or from investing in securities or other instruments backed by physical commodities).</p> |
| <p>7) Make loans, except as permitted by the Investment Company Act of 1940, as amended, and exemptive orders granted under the Investment Company Act of 1940, as amended.</p> | <p>Make loans, except as permitted by the Investment Company Act of 1940, as amended, and exemptive orders granted under the Investment Company Act of 1940, as amended.</p> | <p>Make loans, except as permitted by the Investment Company Act of 1940, as amended, and exemptive orders granted under the Investment Company Act of 1940, as amended.</p> |

| Acquiring Fund | Premium Income | Dividend Advantage and Dividend Advantage 2 |
|---|--|---|
| <p>8) Invest more than 5% of its total assets in securities of any one issuer, except that this limitation shall not apply to securities of the United States Government, its agencies and instrumentalities or to the investment of 25% of its total assets.</p> | <p>Invest more than 5% of its total assets in securities of any one issuer, except that this limitation shall not apply to securities of the United States Government, its agencies and instrumentalities or to the investment of 25% of its total assets.</p> | <p>Purchase any securities (other than obligations issued or guaranteed by the United States Government or by its agencies or instrumentalities), if as a result more than 5% of the Fund's total assets would then be invested in securities of a single issuer or if as a result the Fund would hold more than 10% of the outstanding voting securities of any single issuer; provided that, with respect to 50% of the Fund's assets, the Fund may invest up to 25% of its assets in the securities of any one issuer.</p> |
| <p>9) Pledge, mortgage or hypothecate its assets, except that, to secure borrowings permitted by subparagraph (2) above, it may pledge securities having a market value at the time of pledge not exceeding 20% of the value of the Fund's total assets.</p> | <p>Pledge, mortgage or hypothecate its assets, except that, to secure borrowings permitted by subparagraph (2) above, it may pledge securities having a market value at the time of pledge not exceeding 20% of the value of the Fund's total assets.</p> | |
| <p>10) Invest more than 10% of its total assets in repurchase agreements maturing in more than seven days.</p> | <p>Invest more than 10% of its total assets in repurchase agreements maturing in more than seven days.</p> | |
| <p>11) Purchase or retain the securities of any issuer other than the securities of the Fund if, to the Fund's knowledge, those trustees of the Fund, or those officers and directors of the Adviser, who individually own beneficially more than 1/2 of 1% of the outstanding securities of such issuer, together own beneficially more than 5% of such outstanding securities.</p> | <p>Purchase or retain the securities of any issuer other than the securities of the Fund if, to the Fund's knowledge, those trustees of the Fund, or those officers and directors of the Adviser, who individually own beneficially more than 1/2 of 1% of the outstanding securities of such issuer, together own beneficially more than 5% of such outstanding securities.</p> | |
| <p>For the purpose of applying the limitation set forth in subparagraph (8) above, an issuer shall be deemed the sole issuer of a security when its assets and revenues are separate from other governmental entities and its securities are backed only by its assets and revenues. Similarly, in the case of a non-governmental issuer, such as an industrial corporation or a privately owned or operated hospital, if the</p> | | |

security is backed only by the assets and revenues of the non-governmental issuer, then such non-governmental issuer would be deemed to be the sole issuer. Where a security is also backed by the enforceable obligation of a superior or unrelated governmental or other entity (other than a bond insurer), it shall also be included in the computation of securities owned that are issued by such governmental or other entity. Where a security is guaranteed by a governmental entity or some other facility, such as a bank guarantee or letter of credit, such a guarantee or letter of credit would be considered a separate security and would be treated as an issue of such government, other entity or bank. When a municipal security is insured by bond insurance, it shall not be considered a security that is issued or guaranteed by the insurer; instead, the issuer of such municipal security will be determined in accordance with the principles set forth above. The foregoing restrictions do not limit the percentage of the Fund's assets that may be invested in municipal securities insured by any given insurer.

Each Fund is diversified for purposes of the 1940 Act. Consequently, as to 75% of each Fund's total assets, a Fund may not (i) purchase the securities of any one issuer (other than cash, securities of other investment companies and securities issued by the U.S. Government or its agencies or instrumentalities) if immediately after such purchase, more than 5% of the value of the Fund's total assets would be invested in securities of such issuer or (ii) purchase more than 10% of the outstanding voting securities of such issuer.

Subject to certain exemptions under the 1940 Act, each Fund may invest up to 10% of its total assets in the aggregate in shares of other investment companies and up to 5% of its total assets in any one investment company, provided the investment does not represent more than 3% of the voting stock of the acquired investment company at the time such shares are purchased. As a shareholder in any investment company, each Fund will bear its ratable share of that investment company's expenses and will remain subject to payment of each Fund's management, advisory and administrative fees with respect to assets so invested. Holders of common shares of each Fund would therefore be subject to duplicative expenses to the extent a Fund invests in other investment companies. In addition, the securities of other investment companies may be leveraged and therefore will be subject to the same leverage risks described herein.

In addition to the foregoing fundamental investment policies, each Fund is also subject to the following non-fundamental restrictions and policies, which may be changed by the Board. Each Fund may not:

- (1) Sell securities short, unless the Fund owns or has the right to obtain securities equivalent in kind and amount to the securities sold, at no added cost, and provided that transactions in options, futures contracts, options on futures contracts, or other derivative instruments are not deemed to constitute selling securities short.
- (2) Invest more than 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.
- (3) Enter into futures contracts or related options or forward contracts, if more than 30% of the Fund's net assets would be represented by futures contracts or more than 5% of the Fund's net assets would be committed to initial margin deposits and premiums on futures contracts and related options.

- (4) Purchase securities when borrowings exceed 5% of its total assets if and so long as preferred shares are outstanding.
- (5) Purchase securities of companies for the purpose of exercising control, except that the Fund may invest up to 5% of its net assets in tax-exempt or taxable fixed-income securities or equity securities for the purpose of acquiring control of an issuer whose municipal bonds (a) the Fund already owns and (b) have deteriorated or are expected shortly to deteriorate significantly in credit quality, provided the Adviser determines that such investment should enable the Fund to better maximize the value of its existing investment in such issuer.

The restrictions and other limitations set forth above will apply only at the time of purchase of securities and will not be considered violated unless an excess or deficiency occurs or exists immediately after and as a result of an acquisition of securities.

Each Fund may be subject to certain restrictions imposed by either guidelines of one or more NRSROs that may issue ratings for preferred shares, or, if issued, commercial paper or notes, or, if a Fund borrows from a lender, by the lender. These guidelines may impose asset coverage or portfolio composition requirements that are more stringent than those imposed on a Fund by the 1940 Act. If these restrictions were to apply, it is not anticipated that these covenants or guidelines would impede the Adviser from managing a Fund's portfolio in accordance with the Fund's investment objectives and policies. A copy of the current Rating Agency Guidelines will be provided to any holder of preferred shares promptly upon request therefor made by such holder to the Fund by writing the Fund at 333 West Wacker Drive, Chicago, Illinois 60606.

Portfolio Turnover

Each Fund may buy and sell municipal securities to accomplish its investment objectives in relation to actual and anticipated changes in interest rates. Each Fund also may sell one municipal bond and buy another of comparable quality at about the same time to take advantage of what the Adviser believes to be a temporary price disparity between the two bonds that may result from imbalanced supply and demand. Each Fund also may engage to a limited extent in short-term trading consistent with its investment objectives. Securities may be sold in anticipation of a market decline (a rise in interest rates) or purchased in anticipation of a market rise (a decline in interest rates) and later sold. Each Fund will attempt to achieve its investment objectives by prudent selection of municipal securities with a view to holding them for investment. While there can be no assurance thereof, each Fund anticipates that its annual portfolio turnover rate will generally not exceed 100%.

For the fiscal years ended April 30, 2012 and April 30, 2013, the portfolio turnover rates of the Funds were as follows:

| Fund | 2013 | 2012 |
|----------------------|-------------|-------------|
| Acquiring Fund | 17% | 18% |
| Premium Income | 16% | 8% |
| Dividend Advantage | 14% | 20% |
| Dividend Advantage 2 | 25% | 11% |

There are no limits on the rate of portfolio turnover, and investments may be sold without regard to length of time held when investment considerations warrant such action. A higher portfolio

turnover rate results in correspondingly greater brokerage commissions and other transactional expenses that are borne by each Fund. In addition, high portfolio turnover may result in the realization of net short-term capital gains by a Fund which, when distributed to shareholders, will be taxable as ordinary income for federal income tax purposes.

MANAGEMENT OF THE FUNDS

Board Members and Officers

The management of the Funds, including general supervision of the duties performed for each Fund under its investment management agreement with Nuveen Fund Advisors (an Investment Management Agreement), is the responsibility of the Funds' Board. (The same Board and officers oversee each Fund.) The number of Board Members is ten, one of whom is an interested person (as the term interested person is defined in the 1940 Act) and nine of whom are not interested persons (referred to herein as independent Board Members). None of the independent Board Members has ever been a trustee, director or employee of, or consultant to, Nuveen Investments, Inc. (Nuveen Investments), Nuveen Fund Advisors, LLC (Nuveen Fund Advisors or the Adviser), Nuveen Asset Management or their affiliates.

With respect to each Fund, the Board is divided into three classes, Class I, Class II and Class III, with the Class I Board Members serving until the 2013 annual meeting, the Class II Board Members serving until the 2014 annual meeting and the Class III Board Members serving until the 2015 annual meeting, in each case until their respective successors are elected and qualified. Currently, Judith M. Stockdale, Carole E. Stone and Virginia L. Stringer are slated in Class I, John P. Amboian, David J. Kundert and Terence J. Toth are slated in Class II and Robert P. Bremner and Jack B. Evans are slated in Class III. In addition, two Board Members are to be elected by holders of preferred shares annually. Currently, William C. Hunter and William J. Schneider serve as the Board Members elected by holders of preferred shares for a term of one year.

The officers of the Funds serve annual terms and are elected on an annual basis.

The names, business addresses and birthdates of the Board Members and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below. As of July 15, 2013, Board Members of the Funds are directors or trustees, as the case may be, of 107 Nuveen-sponsored open-end funds (the Nuveen Mutual Funds) and 103 Nuveen-sponsored closed-end funds (together with the Nuveen Mutual Funds, the Nuveen Funds).

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | 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 |
|---|----------------------------|---|---|---|---|
| Board Members who are not interested persons of the Funds | | | | | |
| Robert P. Bremner c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1940) | Board Member | Term: Class III Board Member until 2015 Length of Service: Since 1996, Chairman of the Board (2008-July 1, 2013); Lead Independent Director (2005-2008) | Private Investor and Management Consultant; Treasurer and Director, Humanities Council, Washington, D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute. | 210 | None |
| Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1948) | Board Member | Term: Class III Board Member until 2015 Length of Service: Since 1999 | President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director, Source Media Group; Life Trustee of Coe College and the 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, President of the Board of Regents for the State of Iowa University System. | 210 | 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 ⁽¹⁾ | 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, IL 60606 (1948) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 2004 | Dean Emeritus (since June 30, 2012), formerly Dean (2006-2012), Tippie College of Business, University of Iowa; Director (since 2005) and President (since July 2012), Beta Gamma Sigma, Inc., The International Business Honor Society; Director, 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). | 210 | 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 ⁽¹⁾ | 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, IL 60606 (1942) | Board Member | Term: Class II Board Member until 2014 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, Friends of Boerner Botanical Gardens; Member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; Member of Board of Directors (Milwaukee), College Possible. | 210 | None |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | 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 J. Schneider ⁽²⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1944) | Chairman of the Board Board Member | Term: Class III Board Member until 2015 Length of Service: Since 1996, Chairman of the Board Since July 1, 2013 | Chairman of Miller-Valentine Partners Ltd., a real estate investment company; Member, Mid-America Health System Board; Member, University of Dayton Business School Advisory Council; Board Member of Tech Town, Inc., a not-for-profit community development company; Board Member of WDPR Public Radio; formerly, Senior Partner and Chief Operating Officer (retired, 2004) of Miller-Valentine Group; formerly, Member, Dayton Philharmonic Orchestra Association; formerly, Director, Dayton Development Coalition; formerly, Member, Business Advisory Council, Cleveland Federal Reserve Bank. | 210 | None |
| Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1947) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 1997 | Formerly, Executive Director, Gaylord and Dorothy Donnelley Foundation (1994-2012); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994). | 210 | None |
| Carole E. Stone c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1947) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 2007 | Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007). | 210 | Director, Chicago Board Options Exchange (since 2006). |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | 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 |
|--|----------------------------|--|--|---|--|
| Virginia L. Stringer c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1944) | Board Member | Term: Class I Board Member until 2013 Length of Service: Since 2011 | Board Member, Mutual Fund Directors Forum; former Member, Governing Board, Investment Company Institute s Independent Directors Council; former owner and president, Strategic Management Resources, Inc., a management consulting firm; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company. | 210 | Previously, Independent Director (1987-2010) and Chair (1997-2010), First American Fund Complex. |

S-31

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | 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 ⁽³⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (1959) | Board Member | Term: Class II Board Member until 2014 Length of Service: Since 2008 | 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 a member 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). | 210 | None |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | 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 |
|--|----------------------------|---|--|---|---|
| Board Member who is an interested person of the Funds | | | | | |
| John P. Amboian ⁽⁴⁾ 333 West Wacker Drive Chicago, IL 60606 (1961) | Board Member | Term: Class II Board Member until 2014 Length of Service: Since 2008 | Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc.; Chairman, Chief Executive Officer (since 2007) and President of Nuveen Investments Advisors Inc.; formerly, Director (1998-2012), Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, Inc. | 210 | 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) Interested person as defined in the 1940 Act, by reason of his positions with Nuveen Investments, Inc. and certain of its subsidiaries. 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. Unless otherwise noted, the following information is as of July 15, 2013.

| Name, Address and | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Served by Officer |
|---|------------------------------|---|--|--|
| Gifford R. Zimmerman 333 West Wacker Drive Chicago, IL 60606 (1956) | Chief Administrative Officer | Term/Annual Length of Service: Since 1988 | Managing Director (since 2002), Assistant Secretary and Associate General Counsel of Nuveen Securities, LLC; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, 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); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC and Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of Santa Barbara Asset Management, LLC (since 2006) and of Winslow Capital Management, LLC (since 2010); Chief Administrative Officer and Chief Compliance Officer (since 2010) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst. | 210 |
| William Adams IV 333 West Wacker Drive Chicago, IL 60606 (1955) | Vice President | Term/Annual Length of Service: Since 2007 | Senior Executive Vice President, Global Structured Products (since 2010) of Nuveen Investments, Inc.; formerly, Executive Vice President (1999-2010) 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. | 103 |
| Cedric H. Antosiewicz 333 West Wacker Drive Chicago, IL 60606 (1962) | Vice President | Term/Annual Length of Service: Since 2007 | Managing Director (since 2004) of Nuveen Securities LLC. | 103 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Served by Officer |
|---|----------------------------------|---|--|---|
| Margo L. Cook 333 West Wacker Drive Chicago, IL 60606 (1964) | Vice President | Term/ Annual Length of Service: Since 2009 | Executive Vice President (since 2008) of Nuveen Investments, Inc., Nuveen Fund Advisors, LLC (since 2011) and Nuveen Securities, LLC (since 2013); Executive Vice President of Nuveen Securities, LLC; Managing Director Investment Services of Nuveen Commodities Asset Management, LLC (since 2011); previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Management (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst. | 210 |
| Lorna C. Ferguson 333 West Wacker Drive Chicago, IL 60606 (1945) | Vice President | Term/ Annual Length of Service: Since 1998 | Managing Director of Nuveen Investments Holdings, Inc. | 210 |
| Stephen D. Foy 333 West Wacker Drive Chicago, IL 60606 (1954) | Vice President and Controller | Term/ Annual Length of Service: Since 1993 | Senior Vice President (since 2013), formerly, Vice President of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); formerly, Senior Vice President (2010-2011), formerly, Vice President (2005-2010) and Funds Controller of Nuveen Securities, LLC; Certified Public Accountant. | 210 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Served by Officer |
|---|--|---|--|---|
| Scott S. Grace 333 West Wacker Drive Chicago, IL 60606 (1970) | Vice President and Treasurer | Term/Annual Length of Service: Since 2009 | Managing Director and Treasurer (since 2009) of Nuveen Fund Advisors, LLC, Nuveen Investments Advisers Inc., Nuveen Investments Holdings, Inc., Nuveen Securities, LLC and (since 2011) Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006- 2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation. | 210 |
| Walter M. Kelly 333 West Wacker Drive Chicago, IL 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. | 210 |
| Tina M. Lazar 333 West Wacker Drive Chicago, IL 60606 (1961) | Vice President | Term/Annual Length of Service: Since 2002 | Senior Vice President of Nuveen Investments Holdings, Inc. | 210 |

| Name, Address and Year of Birth | Position(s) Held with Fund | Term of Office and Length of Time Served ⁽¹⁾ | Principal Occupation(s) During Past Five Years | Number of Portfolios in Fund Complex Served by Officer |
|--|--|---|---|---|
| Kevin J. McCarthy 333 West Wacker Drive Chicago, IL 60606 (1966) | Vice President and Secretary | Term/ Annual Length of Service: Since 2007 | Managing Director and Assistant Secretary (since 2008) of Nuveen Securities, LLC and Nuveen Investments, Inc.; Managing Director (since 2008), Assistant Secretary (since 2007) 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; Managing Director (since 2008) and Assistant Secretary of Nuveen Investments Holdings, Inc. and Nuveen Investments Advisers Inc.; Vice President (since 2007) and Assistant Secretary of NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC and of Winslow Capital Management, LLC (since 2010); Vice President (since 2010) and Assistant Secretary of Nuveen Commodities Asset Management, LLC. | 210 |
| Kathleen L. Prudhomme 901 Marquette Avenue Minneapolis, MN 55402 (1953) | Vice President and Assistant Secretary | Term/ Annual Length of Service: Since 2011 | 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). | 210 |

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

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 directors who serve on the board of every fund in the complex. In adopting a unitary board structure, the Board Members seek to provide effective governance through establishing a board, the overall composition of which will, as a body, possess the appropriate skills, independence and experience to oversee the Funds' business. With this overall framework in mind,

when the Board, through its Nominating and Governance Committee discussed below, seeks nominees for the Board, the Board Members consider, not only the candidate's particular background, skills and experience, among other things, but also whether such background, skills and experience enhance the Board's diversity and at the same time complement the Board given its current composition and the mix of skills and experiences of the incumbent Board Members. The Nominating and Governance Committee believes that the Board generally benefits from diversity of background, experience and views among its members, and considers this a factor in evaluating the composition of the Board, but has not adopted any specific policy on diversity or any particular definition of diversity.

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

In an effort to enhance the independence of the Board, the Board also has a Chairman that is an Independent Board Member. The Board recognizes that a chairman can perform an important role in setting the agenda for the Board, establishing the boardroom culture, establishing a point person on behalf of the Board for Fund management, and reinforcing the Board's focus on the long-term interests of shareholders. The Board recognizes that a chairman may be able to better perform these functions without any conflicts of interests arising from a position with Fund management. Accordingly, the Board Members have elected William J. Schneider as the independent Chairman of the Board, effective July 1, 2013. Specific responsibilities of the Chairman include: (i) presiding at all meetings of the Board and of the shareholders; (ii) seeing that all orders and resolutions of the Board Members are carried into effect; and (iii) maintaining records of and, whenever necessary, certifying all proceedings of the Board Members and the shareholders.

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

The Executive Committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board. The members of the Executive Committee are William J. Schneider, Chair, Judith M. Stockdale and John P. Amboian. During the fiscal year ended April 30, 2013, the Executive Committee did not meet.

The Dividend Committee is authorized to declare distributions on each Fund's shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The members of the Dividend Committee are Jack B. Evans, Chair, Judith M. Stockdale and Terence J. Toth. During the fiscal year ended April 30, 2013, the Dividend Committee met 4 times.

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. The members of the Closed-End Funds Committee are Robert P. Bremner, Jack B. Evans, William C. Hunter, William J. Schneider and Carole E. Stone, Chair. During the fiscal year ended April 30, 2013, the Closed-End Funds Committee met 4 times.

The Open-End Funds Committee is responsible for assisting the Board in the oversight and monitoring of the Nuveen Funds that are registered as open-end management investment companies (Open-End Funds). The committee may review and evaluate matters related to the formation and the initial presentation to the Board of any new Open-End Fund and may review and evaluate any matters relating to any existing Open-End Fund. The committee operates under a written charter adopted and approved by the Board. The members of the Open-End Funds Committee are David J. Kundert, William J. Schneider, Judith M. Stockdale, Virginia L. Stringer and Terence J. Toth, Chair.

The Board has an Audit Committee, in accordance with Section 3(a)(58)(A) of the 1934 Act, that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the 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. The members of the Audit Committee are Robert P. Bremner, David J. Kundert, Chair, William J. Schneider, Carole E. Stone and Terence J. Toth, each of whom is an Independent Board Member of the Funds. A copy of the Charter is attached as Appendix F to the Joint Proxy Statement/Prospectus. During the fiscal year ended April 30, 2013, the Audit Committee met 4 times.

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. The members of the Compliance Committee are Jack B. Evans, William C. Hunter, William J. Schneider, Judith M. Stockdale, Chair, and Virginia L. Stringer. During the fiscal year ended April 30, 2013, the Compliance Committee met 5 times.

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

In addition, the Nominating and Governance Committee, among other things: makes recommendations concerning the continuing education of Board Members; monitors performance of legal counsel and other service providers; establishes and monitors a process by which security holders are able to communicate in writing with Board Members; and periodically reviews and makes recommendations about any appropriate changes to Board Member compensation. In the event of a vacancy on the Board, the Nominating and Governance Committee receives suggestions from various sources, including shareholders, as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The Nominating and Governance Committee sets appropriate standards and requirements for nominations for new Board Members and each nominee is evaluated 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. All candidates, however, must meet high expectations of personal integrity, independence, governance experience and professional competence. All candidates must be willing to be critical within the Board and with management and yet maintain a collegial and collaborative manner toward other Board Members. The Nominating and Governance Committee operates under a written charter adopted and approved by the Board, a copy of which is available on the Funds' website at www.nuveen.com/CEF/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 Robert P. Bremner, Chair, Jack B. Evans, William C. Hunter, David J. Kundert, William J. Schneider, Judith M. Stockdale, Carole E. Stone, Virginia L. Stringer and Terence J. Toth. During the fiscal year ended April 30, 2013, the Nominating and Governance Committee met 6 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.

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 shall not impose any greater responsibility or liability on any such person or on the Board by reason thereof.

John P. Amboian

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

Robert P. Bremner

Mr. Bremner is a private investor and management consultant in Washington, D.C. His biography of William McChesney Martin, Jr., a former chairman of the Federal Reserve Board, was

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

Jack B. Evans

President of the Hall-Perrine Foundation, a private philanthropic corporation, since 1996, Mr. Evans was formerly President and Chief Operating Officer of the SCI Financial Group, Inc., a regional financial services firm headquartered in Cedar Rapids, Iowa. Formerly, he was a member of the Board of the Federal Reserve Bank of Chicago a Director of Alliant Energy and President 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 Source Media Group 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.

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 Henry B. Tippie College of Business at the University of Iowa on July 1, 2006. He was previously Dean and Distinguished Professor of Finance at the University of Connecticut School of Business since June 2003. From 1995 to 2003, he was the Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago. While there he served as the Bank's Chief Economist and was an Associate Economist on the Federal Reserve System's Federal Open Market Committee (FOMC). In addition to serving as a Vice President in charge of financial markets and basic research at the Federal Reserve Bank in Atlanta, he held faculty positions at Emory University, Atlanta University, the University of Georgia and Northwestern University. A past Director of the Credit Research Center at Georgetown University, 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 Director and President of Beta Gamma Sigma, Inc., The International Business Honor Society.

David J. Kundert

Mr. Kundert retired in 2004 as Chairman of JPMorgan Fleming Asset Management, as President and CEO of Banc One Investment Advisors Corporation, and as President of One Group Mutual Funds. Prior to the merger between Bank One Corporation and JPMorgan Chase and Co., he was Executive Vice President, Bank One Corporation and, since 1995, the Chairman and CEO, Banc One Investment Management Group. From 1988 to 1992, he was President and CEO of Bank One Wisconsin Trust Company. 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 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. He received his Bachelor of Arts degree from Luther College and his Juris Doctor from Valparaiso University.

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 Ltd., a real estate investment company. He is also a Member of two Miller Valentine real estate LLC companies. Mr. Schneider is a member of the Business Advisory Council for the University of Dayton College of Business. He is also a Board Member of Tech Town, Inc., a not-for-profit community development company, and a Board Member of WDPR Public Radio. 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 an independent trustee of the Flagship Funds, a group of municipal open-end funds. He also served as Chair of the Miami Valley Hospital and as Chair of the Finance Committee of its parent holding company. Mr. Schneider has a Bachelor of Science in Community Planning from the University of Cincinnati and a Masters of Public Administration from the University of Dayton.

Judith M. Stockdale

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

Carole E. Stone

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

Virginia L. Stringer

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

Terence J. Toth

Mr. Toth is a Managing Partner at 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 a member 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.

Independent Chairman

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

Board Member Terms

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 VRDP Shares and MTP Shares), voting separately, are entitled to elect two Board Members. The Board Members elected by holders of preferred shares 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 the Joint Proxy Statement/Prospectus under Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws.

Share Ownership

The following table sets forth for each Board Member the dollar range of equity securities beneficially owned in each Fund and in all Nuveen funds overseen by the Board Member as of June 30, 2013:

Dollar Range of Equity Securities

| Name of Board Member | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 | Family of Investment Companies⁽¹⁾ |
|-----------------------------|-----------------------|-----------------------|---------------------------|-----------------------------|---|
| John P. Amboian | | | | | over \$ 100,000 |
| Robert P. Bremner | | | | | over \$ 100,000 |
| Jack B. Evans | | | | | over \$ 100,000 |
| William C. Hunter | | | | | over \$ 100,000 |
| David J. Kundert | | | | | over \$ 100,000 |
| William J. Schneider | | | | | over \$ 100,000 |
| Judith M. Stockdale | | | | | over \$ 100,000 |
| Carole E. Stone | | | | | over \$ 100,000 |
| Virginia L. Stringer | | | | | over \$ 100,000 |
| Terence J. Toth | | | | | over \$ 100,000 |

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

No Board Member who is not an interested person of the Funds or his immediate family member owns beneficially or of record, any security of Nuveen Fund Advisors, Nuveen Asset Management, 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 June 30, 2013, 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 shareholders or groups of shareholders who beneficially own more than 5% of a class of shares of a Fund is provided below. Information in the table below regarding the number and percentage of shares owned is based on a review of Schedule 13D and 13G filings and

amendments made on or before [], 2013. The estimated pro forma information presented is calculated assuming that outstanding common and preferred shares were as of [], 2013.

| Fund and Class | Shareholder Name and Address | Number of Shares Owned | Percentage Owned | Estimated Pro Forma | |
|------------------------------------|------------------------------|------------------------|------------------|--------------------------------------|---------------------------------------|
| | | | | Corresponding Class of Combined Fund | All Preferred Shares of Combined Fund |
| Acquiring Fund Common Shares | | | | | |
| Premium Income Common Shares | | | | | |
| Dividend Advantage Common Shares | | | | | |
| Dividend Advantage MTP Shares | | | | | |
| Dividend Advantage 2 Common Shares | | | | | |
| Dividend Advantage 2 MTP Shares | | | | | |

- (a)
 - (b)
- Compensation**

Effective January 1, 2013, Independent Board Members receive a \$140,000 annual retainer plus: (a) a fee of \$4,500 per day for attendance in person or by telephone at regularly scheduled meetings of the Board; (b) 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; (c) 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; (d) a fee of \$2,500 per meeting for attendance in person or by telephone at Compliance, Risk Management and Regulatory Oversight 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; (e) a fee of \$1,000 per meeting for attendance in person or by telephone at Dividend Committee meetings; (f) 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 (g) 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

Chairman of the Board receives \$75,000, the chairpersons of the Audit Committee, the Dividend Committee, the Compliance, Risk Management and Regulatory Oversight Committee and the Closed-End Funds Committee receive \$12,500 each and the chairperson of the Nominating and Governance Committee receives \$5,000 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 committee; 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 the Board Member of each Fund 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 such Board Member for the fiscal year ended April 30, 2013:

| | Aggregate Compensation from the Funds ⁽¹⁾ | | | | | | | | |
|---|--|-------------------|-------------------|-------------------|----------------------|---------------------|-------------------|----------------------|-------------------|
| | Robert P. Bremner | Jack B. Evans | William C. Hunter | David J. Kundert | William J. Schneider | Judith M. Stockdale | Carole E. Stone | Virginia L. Stringer | Terence J. Toth |
| Acquiring Fund | \$ 1,244 | \$ 935 | \$ 851 | \$ 1,021 | \$ 1,073 | \$ 1,003 | \$ 915 | \$ 854 | \$ 987 |
| Premium Income | 1,146 | 861 | 783 | 940 | 988 | 924 | 842 | 786 | 909 |
| Dividend Advantage | 244 | 186 | 173 | 192 | 204 | 188 | 185 | 174 | 200 |
| Dividend Advantage 2 | 265 | 203 | 188 | 209 | 221 | 204 | 202 | 189 | 218 |
| Total Compensation from Nuveen Funds Paid to Board Members⁽²⁾ | \$ 343,204 | \$ 262,670 | \$ 240,509 | \$ 267,712 | \$ 284,299 | \$ 261,411 | \$ 263,100 | \$ 248,600 | \$ 298,475 |

(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:

| | Robert P. Bremner | Jack B. Evans | William C. Hunter | David J. Kundert | William J. Schneider | Judith M. Stockdale | Carole E. Stone | Virginia L. Stringer | Terence J. Toth |
|----------------------|-------------------|---------------|-------------------|------------------|----------------------|---------------------|-----------------|----------------------|-----------------|
| Acquiring Fund | \$ 195 | \$ 237 | \$ | \$ 1,021 | \$ 1,073 | \$ 531 | \$ 108 | \$ | \$ 58 |
| Premium Income | 179 | 218 | | 940 | 988 | 488 | 100 | | 54 |
| Dividend Advantage | | | | | | | | | |
| Dividend Advantage 2 | | | | | | | | | |

(2) Based on the total compensation paid, including deferred fees (including the return from the assumed investment in the eligible Nuveen funds), to the Board Members for the calendar year ended December 31, 2012 for services to the Nuveen open-end and closed-end funds advised by the Adviser.

INVESTMENT ADVISER AND SUB-ADVISER
Investment Adviser

Nuveen Fund Advisors, LLC, 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 the 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, IL 60606.

Nuveen Fund Advisors, a registered investment adviser, is a wholly-owned subsidiary of Nuveen Investments, Inc. Founded in 1898, Nuveen Investments and its affiliates had approximately \$224 billion in assets under management as of March 31, 2013. For additional information regarding the management services performed by Nuveen Fund Advisors, including the biography of the Funds' portfolio manager and further information about the investment management agreement between the Fund and Nuveen Fund Advisors, see "Management of the Fund" in the Fund's Prospectus.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutions and high net-worth investors as well as the consultants and financial advisers who serve them. Nuveen Investments markets its specialized investment solutions under the high-quality brands of NWQ, Nuveen, Santa Barbara, Symphony, Tradewinds, Gresham and Winslow Capital.

The total dollar amounts paid to Nuveen Fund Advisors by each Fund under each Fund's management agreement for the last three fiscal years for which financial statements are available are as follows:

| | | | |
|-----------------------------|------------------|------------------|------------------|
| Acquiring Fund | 4/30/2013 | 4/30/2012 | 4/30/2011 |
| Gross Advisory Fees | \$ 2,293,217 | \$ 2,212,874 | \$ 2,186,209 |
| Waiver | \$ | \$ | \$ |
| Net Advisory Fees | \$ 2,293,217 | \$ 2,212,874 | \$ 2,186,209 |
| Premium Income | 4/30/2013 | 4/30/2012 | 4/30/2011 |
| Gross Advisory Fees | \$ 2,124,427 | \$ 2,047,137 | \$ 2,016,439 |
| Waiver | \$ | \$ | \$ |
| Net Advisory Fees | \$ 2,124,427 | \$ 2,047,137 | \$ 2,016,439 |
| Dividend Advantage | 4/30/2013 | 4/30/2012 | 4/30/2011 |
| Gross Advisory Fees | \$ 476,336 | \$ 461,233 | \$ 457,716 |
| Waiver | \$ | \$ | \$ (33,296) |
| Net Advisory Fees | \$ 476,336 | \$ 461,233 | \$ 424,420 |
| Dividend Advantage 2 | 4/30/2013 | 4/30/2012 | 4/30/2011 |
| Gross Advisory Fees | \$ 537,645 | \$ 524,766 | \$ 521,297 |
| Waiver | \$ | \$ (38,385) | \$ (79,094) |
| Net Advisory Fees | \$ 537,645 | \$ 486,381 | \$ 442,203 |

Sub-Adviser

Effective as of January 1, 2011, Nuveen Fund Advisors has selected Nuveen Asset Management to serve as sub-adviser to each Fund. Nuveen Fund Advisors compensates Nuveen Asset Management for the portfolio management services it provides to the Funds from the management fees paid by the Funds. Nuveen Fund Advisors and Nuveen Asset Management retain the right to reallocate investment advisory responsibilities and fees between themselves in the future.

Nuveen Fund Advisors pays Nuveen Asset Management a portfolio management fee equal to 38.4615% of net advisory fees. The total dollar amounts paid to Nuveen Asset Management by Nuveen Fund Advisors for the fiscal year ended April 30, 2013 were \$882,006 for the Acquiring Fund, \$817,086 for Premium Income, \$183,206 for Dividend Advantage and \$206,786 for Dividend Advantage 2.

PORTFOLIO MANAGER

Unless otherwise indicated, the information below is provided as of the date of this SAI.

Portfolio Management. Paul Brennan, CFA, CPA, is the portfolio manager of each Fund.

In addition to managing the Funds, Paul Brennan is also primarily responsible for the day-to-day portfolio management of the following accounts:

| Type of Account Managed | Number of Accounts | Assets* |
|----------------------------------|---------------------------|------------------|
| Registered Investment Company | 17 | \$ 14.83 billion |
| Other Pooled Investment Vehicles | 0 | \$ 0 |
| Other Accounts | 3 | \$ 307 million |

* Assets are as of April 30, 2013. None of the assets in these accounts is subject to an advisory fee based on performance.

Compensation

Portfolio manager compensation consists primarily of base pay, an annual cash bonus and long-term incentive payments.

Base pay. Base pay is determined based upon an analysis of the portfolio manager's general performance, experience, and market levels of base pay for such position.

Annual cash bonus. The Funds' portfolio manager is eligible for an annual cash bonus based on pre-tax investment performance, qualitative evaluation and financial performance of Nuveen Asset Management.

A portion of the portfolio manager's annual cash bonus is based on the Fund's investment performance, generally measured over the past one- and three or five-year periods unless the portfolio manager's tenure is shorter. Investment performance for the Fund generally is determined by evaluating the Fund's performance relative to its benchmark(s) and/or Lipper industry peer group.

A portion of the cash bonus is based on a qualitative evaluation made by the portfolio manager's supervisor taking into consideration a number of factors, including the portfolio manager's team collaboration, expense management, support of personnel responsible for asset growth, and his or her compliance with Nuveen Asset Management's policies and procedures.

The final factor influencing the portfolio manager's cash bonus is the financial performance of Nuveen Asset Management based on its operating earnings.

Long-term Incentive Compensation. Certain key employees of Nuveen Investments and its affiliates, including certain portfolio managers, have received equity interests in the parent company of Nuveen Investments. In addition, certain key employees of Nuveen Asset Management, including certain portfolio managers, have received profits interests in Nuveen Asset Management which entitle their holders to participate in the firm's growth over time.

Conflicts of Interest. Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented a number of potential conflicts, including, among others, those discussed below.

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Nuveen Asset Management seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, Nuveen Asset Management has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, Nuveen Asset Management determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, Nuveen Asset Management may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, Nuveen Asset Management may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.

Some clients are subject to different regulations. As a consequence of this difference in regulatory requirements, some clients may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where Nuveen Asset Management has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

Nuveen Asset Management has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Beneficial Ownership of Securities. The following table sets forth the dollar range of equity securities beneficially owned by Mr. Brennan as of the date of this SAI:

| Portfolio Manager | Dollar Range of Equity Securities Beneficially Owned in the Acquiring Fund | Dollar Range of Equity Securities Beneficially Owned in the Target Fund |
|--------------------------|---|--|
|--------------------------|---|--|

Paul Brennan

Unless earlier terminated as described below, each Fund's Investment Management Agreement with Nuveen Fund Advisors will remain in effect until August 1, 2014. 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 Trustees 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.

The Funds, Nuveen Fund Advisors, Nuveen Asset Management, Nuveen Investments and other related entities have adopted codes of ethics under Rule 17j-1 under the 1940 Act, that essentially prohibit certain of their personnel, including the Funds' portfolio manager, from engaging in personal investments that compete or interfere with, or attempt to take advantage of a client's, including the Funds', anticipated or actual portfolio transactions, and are designed to assure that the interests of clients, including Fund shareholders, are placed before the interests of personnel in connection with personal investment transactions. The codes of ethics of the Funds, Nuveen Fund Advisors, Nuveen Asset Management and Nuveen Investments can be viewed online or downloaded from the EDGAR Database on the SEC's internet web site at www.sec.gov. You may also review and copy those documents by visiting the SEC's Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 202-942-8090. In addition, copies of those codes of ethics may be obtained, after mailing the appropriate duplicating fee, by writing to the SEC's Public Reference Section, 100 F Street, N.E., Washington, D.C. 20549 or by e-mail request at publicinfo@sec.gov.

Each Fund invests its assets generally in municipal securities. On rare occasions the Funds may acquire, directly or through a special-purpose vehicle, equity securities of certain issuers whose securities the Funds already own when such securities have deteriorated or are expected shortly to deteriorate significantly in credit quality. The purpose of acquiring equity securities generally will be to acquire control of the issuer and to seek to prevent the credit deterioration or facilitate the liquidation or other workout of the distressed issuer's credit problem. In the course of exercising control of a distressed issuer, Nuveen Asset Management may pursue the Funds' interests in a variety of ways, which may entail negotiating and executing consents, agreements and other arrangements, and otherwise influencing the management of the issuer. Nuveen Asset Management does not consider

such activities proxy voting for purposes of Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended (the Advisers Act), but nevertheless provides reports to the Fund s Board on its control activities on a quarterly basis.

In the rare event that an issuer were to issue a proxy or that the Funds were to receive a proxy issued by a cash management security, Nuveen Asset Management would either engage an independent third party to determine how the proxy should be voted or vote the proxy with the consent, or based on the instructions, of the Funds Board or its representative. A member of Nuveen Asset Management s legal department would oversee the administration of the voting and ensure that records maintained in accordance with Rule 206(4)-6 of the Advisers Act were filed with the SEC on Form N-PX, provided to the Funds Board and made available to shareholders as required by applicable rules.

In the event of a conflict of interest that might arise when voting proxies for the Funds, Nuveen Asset Management will defer to the recommendation of an independent third party engaged to determine how the proxy should be voted, or, alternatively, members of Nuveen Asset Management s legal and compliance departments, in consultation with the Board, will examine the conflict of interest and seek to resolve such conflict in the best interest of each Fund. If a member of Nuveen Asset Management s legal or compliance department or the Board has a personal conflict of interest, that member will refrain from participating in the consultation.

Information regarding how each Fund voted proxies relating to portfolio securities during the most recent twelve-month period ended June 30 will be available without charge by calling (800) 257-8787 or by accessing the SEC s website at <http://www.sec.gov>.

PORTFOLIO TRANSACTIONS AND BROKERAGE

Subject to the supervision of the Board, Nuveen Asset Management is responsible for decisions to purchase and sell securities for the Funds, the negotiation of the prices to be paid and the allocation of transactions among various dealer firms. Transactions on stock exchanges involve the payment by the Funds of brokerage commissions. There generally is no stated commission in the case of securities traded in the OTC market, but the prices paid by the Funds usually include an undisclosed dealer commission or mark-up. Transactions in the OTC market can also be placed with broker-dealers who act as agents and charge brokerage commissions for effecting OTC transactions. Each Fund may place its OTC transactions either directly with principal market makers, or with broker-dealers if that is consistent with Nuveen Asset Management s obligation to obtain best qualitative execution. In certain instances, the Funds may make purchases of underwritten issues at prices that include underwriting fees.

Portfolio securities may be purchased directly from an underwriter or in the OTC market from the principal dealers in such securities, unless it appears that a better price or execution may be obtained through other means. Portfolio securities will not be purchased from Nuveen Investments or its affiliates or affiliates of Nuveen Asset Management except in compliance with the 1940 Act.

It is Nuveen Asset Management s policy to seek the best execution under the circumstances of each trade. Nuveen Asset Management will evaluate price as the primary consideration, with the financial condition, reputation and responsiveness of the dealer considered secondary in determining best execution. Given the best execution obtainable, it will be Nuveen Asset Management s practice to select dealers that, in addition, furnish research information (primarily credit analyses of issuers and

general economic reports) and statistical and other services to Nuveen Asset Management. It is not possible to place a dollar value on information and statistical and other services received from dealers. Since it is only supplementary to Nuveen Asset Management's own research efforts, the receipt of research information is not expected to reduce significantly Nuveen Asset Management's expenses. While Nuveen Asset Management will be primarily responsible for the placement of the business of the Funds, Nuveen Asset Management's policies and practices in this regard must be consistent with the foregoing and will, at all times, be subject to review by the Board of the Funds.

Nuveen Asset Management may manage other investment accounts and investment companies for other clients that may invest in the same types of securities as the Funds and that may have investment objectives similar to those of the Funds. Nuveen Asset Management seeks to allocate portfolio transactions equitably whenever concurrent decisions are made to purchase or sell assets or securities by each Fund and another advisory account. If an aggregated order cannot be filled completely, allocations will generally be made on a pro rata basis. An order may not be allocated on a pro rata basis where, for example (i) consideration is given to portfolio managers who have been instrumental in developing or negotiating a particular investment; (ii) consideration is given to an account with specialized investment policies that coincide with the particulars of a specific investment; (iii) pro rata allocation would result in odd-lot or de minimis amounts being allocated to a portfolio or other client; or (iv) where Nuveen Asset Management reasonably determines that departure from a pro rata allocation is advisable. There may also be instances where a Fund will not participate at all in a transaction that is allocated among other accounts. While these allocation procedures could have a detrimental effect on the price or amount of the securities available to the Fund from time to time, it is the opinion of the Board that the benefits available from Nuveen Asset Management's management outweigh any disadvantage that may arise from Nuveen Asset Management's larger management activities and its need to allocate securities.

The following table sets forth the aggregate amount of brokerage commissions paid by the Funds for the last three fiscal years for which financial statements are available:

| | 4/30/2013 | 4/30/2012 | 4/30/2011 |
|----------------------|-----------|-----------|-----------|
| Acquiring Fund | \$ | \$ | \$ |
| Premium Income | \$ | \$ | \$ |
| Dividend Advantage | \$ | \$ | \$ |
| Dividend Advantage 2 | \$ | \$ | \$ |

Substantially all of the Funds' trades are effected on a principal basis.

REPURCHASE OF FUND SHARES; CONVERSION TO OPEN-END FUND

The Acquiring Fund is a closed-end investment company, and as such its shareholders will not have the right to cause the Fund to redeem their shares. Instead, the Fund's common shares will trade in the open market at a price that will be a function of several factors, including dividend levels (which are in turn affected by expenses), net asset value, dividend stability, relative demand for and supply of such shares in the market, general market and economic conditions and other factors. Because shares of a closed-end investment company may frequently trade at prices lower than net asset value, the Acquiring Fund's Board has currently determined that, at least annually, it will consider action that might be taken to reduce or eliminate any material discount from net asset value in respect of common

shares, which may include the repurchase of such shares in the open market or in private transactions, the making of a tender offer for such shares at net asset value, or the conversion of the Fund to an open-end investment company. There can be no assurance, however, that the Board will decide to take any of these actions, or that share repurchases or tender offers, if undertaken, will reduce market discount.

Subject to its investment limitations, the Acquiring Fund may borrow to finance the repurchase of shares or to make a tender offer. Interest on any borrowings to finance share repurchase transactions or the accumulation of cash by the Fund in anticipation of share repurchases or tenders will reduce the Fund's net income. Any share repurchase, tender offer or borrowing that might be approved by the Board would have to comply with the Exchange Act and the 1940 Act and the rules and regulations thereunder.

Although the decision to take action in response to a discount from net asset value will be made by the Board at the time it considers such issue, it is the Board's present policy, which may be changed by the Board, not to authorize repurchases of common shares or a tender offer for such shares if (1) such transactions, if consummated, would (a) result in the delisting of the common shares from the NYSE, the NYSE MKT or elsewhere, or (b) impair the Fund's status as a regulated investment company under the Code (which would make the Fund a taxable entity, causing the Fund's taxable income to be taxed at the corporate level in addition to the taxation of shareholders who receive dividends from the Fund) or as a registered closed-end investment company under the 1940 Act; (2) the Fund would not be able to liquidate portfolio securities in an orderly manner and consistent with the Fund's investment objectives and policies in order to repurchase shares; or (3) there is, in the Board's judgment, any (a) material legal action or proceeding instituted or threatened challenging such transactions or otherwise materially adversely affecting the Fund, (b) general suspension of or limitation on prices for trading securities on the NYSE, the NYSE MKT or elsewhere, (c) declaration of a banking moratorium by federal or state authorities or any suspension of payment by United States or state banks in which the Fund invests, (d) material limitation affecting the Fund or the issuers of its portfolio securities by federal or state authorities on the extension of credit by lending institutions or on the exchange of non-U.S. currency, (e) commencement of war, armed hostilities or other international or national calamity directly or indirectly involving the United States, or (f) other event or condition that would have a material adverse effect (including any adverse tax effect) on the Acquiring Fund or its shareholders if shares were repurchased. The Board may in the future modify these conditions in light of experience.

The repurchase by the Acquiring Fund of its shares at prices below net asset value will result in an increase in the net asset value of those shares that remain outstanding. However, there can be no assurance that share repurchases or tenders at or below net asset value will result in the Fund's shares trading at a price equal to their net asset value. Nevertheless, the fact that the Fund's shares may be the subject of repurchase or tender offers at net asset value from time to time, or that the Fund may be converted to an open-end investment company, may reduce any spread between market price and net asset value that might otherwise exist.

In addition, a purchase by the Acquiring Fund of its common shares will decrease the Fund's total assets, which would likely have the effect of increasing the Fund's expense ratio.

Conversion to an open-end company would require the approval of the holders of at least two-thirds of the Acquiring Fund's common and preferred shares, voting as a single class, and, if

conversion would adversely affect the holders of the preferred shares, approval of the holders of at least two-thirds of the Fund's preferred shares, voting together as a single class, unless the conversion has been approved by the requisite vote of the Board Members, in which case a majority vote of the requisite holders would be required. See the Joint Proxy Statement/Prospectus under "Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws" for a discussion of voting requirements applicable to conversion of the Fund to an open-end investment company. If the Fund converted to an open-end investment company, the Fund's common shares would no longer be listed on the NYSE, the NYSE MKT or elsewhere, and the Fund's preferred shares would no longer be outstanding. In contrast to a closed-end investment company, shareholders of an open-end investment company may require the company to redeem their shares on any business day (except in certain circumstances as authorized by or under the 1940 Act or rules thereunder) at their net asset value, less such redemption charge, if any, as might be in effect at the time of redemption. In order to avoid maintaining large cash positions or liquidating favorable investments to meet redemptions, open-end investment companies typically engage in a continuous offering of their shares. Open-end investment companies are thus subject to periodic asset in-flows and out-flows that can complicate portfolio management. The Board may at any time propose conversion of the Fund to an open-end investment company depending upon its judgment as to the advisability of such action in light of circumstances then prevailing.

Before deciding whether to take any action if the Acquiring Fund's common shares trade below net asset value, the Board would consider all relevant factors, including the extent and duration of the discount, the liquidity of the Fund's portfolio, the impact of any action that might be taken on the Fund or its shareholders, and market considerations. Based on these considerations, even if the Fund's shares should trade at a discount, the Board may determine that, in the interest of the Fund and its shareholders, no action should be taken.

TAX MATTERS

Federal Income Tax Matters

The following is a general summary of certain U.S. federal income tax consequences that may be relevant to a shareholder that acquires, holds and/or disposes of shares of the Acquiring Fund. This discussion only addresses U.S. federal income tax consequences to U.S. shareholders who hold their shares as capital assets and does not address all of the U.S. federal income tax consequences that may be relevant to particular shareholders in light of their individual circumstances. This discussion also does not address the tax consequences to shareholders who are subject to special rules, including, without limitation, shareholders with large positions in the Acquiring Fund, financial institutions, insurance companies, dealers in securities or foreign currencies, foreign holders, persons who hold their shares as or in a hedge against currency risk, a constructive sale, or conversion transaction, holders who are subject to the federal alternative minimum tax (except as discussed below), or tax-exempt or tax-deferred plans, accounts, or entities. In addition, the discussion does not address any state, local, or foreign tax consequences. The discussion reflects applicable tax laws of the United States as of the date of this SAI, which tax laws may be changed or subject to new interpretations by the courts or the Internal Revenue Service (IRS) retroactively or prospectively. No attempt is made to present a detailed explanation of all U.S. federal income tax concerns affecting the Acquiring Fund and its shareholders, and the discussion set forth herein does not constitute tax advice. INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISERS TO DETERMINE THE SPECIFIC

TAX CONSEQUENCES TO THEM OF INVESTING IN THE ACQUIRING FUND, INCLUDING THE APPLICABLE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES TO THEM AND THE EFFECT OF POSSIBLE CHANGES IN TAX LAWS.

The Acquiring Fund has elected to be treated, and intends to continue to qualify each year, as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended (the Code), and to satisfy conditions which enable its dividends that are attributable to interest on municipal securities to be exempt from federal income tax in the hands of owners of such stock, subject to the possible application of the federal alternative minimum tax.

To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, the Acquiring Fund must, among other things, (a) derive in each taxable year at least 90% of its gross income from dividends, interest, payments with respect to securities loans, gains from the sale or other disposition of stock, securities or non-U.S. currencies, other income derived with respect to its business of investing in such stock, securities or currencies, and net income derived from interests in qualified publicly traded partnerships, as defined in the Code; (b) diversify its holdings so that, at the end of each quarter of each taxable year, (i) at least 50% of the value of the Acquiring Fund's assets is represented by cash and cash items (including receivables), U.S. Government securities, the securities of other regulated investment companies and other securities, with such other securities of any one issuer limited for the purposes of this calculation to an amount not greater than 5% of the value of the Acquiring Fund's total assets and not greater than 10% of the outstanding voting securities of such issuer, and (ii) not more than 25% of the value of its total assets is invested in the securities (other than U.S. Government securities or the securities of other regulated investment companies) of a single issuer, or two or more issuers that the Acquiring Fund controls and are engaged in the same, similar or related trades or businesses, or the securities of one or more qualified publicly traded partnerships; and (c) distribute each year an amount equal to or greater than the sum of 90% of its investment company taxable income (as that term is defined in the Code, but without regard to the deduction for dividends paid) and 90% of its net tax-exempt interest.

If the Acquiring Fund failed to qualify as a regulated investment company in any taxable year, the Acquiring Fund would be taxed in the same manner as a regular corporation on its taxable income (even if such income were distributed to its shareholders) and distributions to shareholders would not be deductible by the Acquiring Fund in computing its taxable income. Additionally, all distributions out of earnings and profits (including distributions from net capital gain and net tax-exempt interest) would be taxed to shareholders as ordinary dividend income. Such distributions generally would be eligible (i) to be treated as qualified dividend income, as discussed below in the case of noncorporate shareholders and (ii) for the dividends received deduction under Section 243 of the Code (the Dividends Received Deduction) in the case of corporate shareholders.

The Acquiring Fund intends to continue to qualify to pay exempt-interest dividends, as defined in the Code, by satisfying the requirement that, at the close of each quarter of its taxable year, at least 50% of the value of its total assets consist of tax-exempt state and local bonds. Exempt-interest dividends are dividends or any part thereof (other than a capital gain dividend) paid by the Acquiring Fund which are attributable to interest on state and local bonds that pay interest exempt from regular federal income tax and are so designated by the Acquiring Fund. Exempt-interest dividends will be exempt from U.S. federal income tax, subject to the possible application of the federal alternative minimum tax.

As a regulated investment company, the Acquiring Fund generally will not be subject to U.S. federal income tax on its investment company taxable income and net capital gain (the excess of net long-term capital gain over net short-term capital loss), if any, that it distributes to shareholders. The Acquiring Fund may retain for investment its net capital gain. However, if the Acquiring Fund retains any net capital gain or any investment company taxable income, it will be subject to tax at regular corporate rates on the amount retained. If the Acquiring Fund retains any net capital gain, it may designate the retained amount as undistributed capital gains in a notice to its shareholders who, if subject to U.S. federal income tax on long-term capital gains, (i) will be required to include in income for U.S. federal income tax purposes, as long-term capital gain, their share of such undistributed amount, and (ii) will be entitled to credit their proportionate shares of the federal income tax paid by the Acquiring Fund on such undistributed amount against their U.S. federal income tax liabilities, if any, and to claim refunds to the extent the credit exceeds such liabilities. For U.S. federal income tax purposes, the basis of shares owned by a shareholder of the Acquiring Fund will be increased by an amount equal to the difference between the amount of undistributed capital gains included in the shareholder's gross income and the federal income tax deemed paid by the shareholder under clause (ii) of the preceding sentence. The Acquiring Fund intends to distribute to its shareholders, at least annually, substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid) and the net capital gain not otherwise retained by the Acquiring Fund.

Amounts not distributed on a timely basis in accordance with a calendar year distribution requirement are subject to a nondeductible 4% federal excise tax. To prevent imposition of the excise tax, the Acquiring Fund must distribute during each calendar year an amount at least equal to the sum of (1) 98% of its ordinary taxable income (not taking into account any capital gains or losses) for the calendar year, (2) 98.2% of its capital gains in excess of its capital losses (adjusted for certain ordinary losses) for the one-year period ending October 31 of the calendar year, and (3) any ordinary taxable income and capital gains for previous years that were not distributed during those years and on which the Acquiring Fund paid no U.S. federal income tax. To prevent application of the excise tax, the Acquiring Fund intends to make distributions in accordance with the calendar year distribution requirement.

The Acquiring Fund may acquire municipal obligations and other debt securities that are market discount bonds. A market discount bond is a security acquired in the secondary market at a price below its redemption value (or its adjusted issue price if it is also an original issue discount bond). If the Acquiring Fund invests in a market discount bond, it will be required to treat any gain recognized on the disposition of such market discount bond as ordinary taxable income to the extent of the accrued market discount unless the Acquiring Fund elects to include the market discount in taxable income as it accrues.

If the Acquiring Fund invests in certain taxable pay-in-kind securities, zero coupon securities, deferred interest securities or, in general, any other securities with original issue discount (or with market discount if the Acquiring Fund elects to include market discount in income currently), the Acquiring Fund must accrue income on such investments for each taxable year, which generally will be prior to the receipt of the corresponding cash payments. However, the Acquiring Fund must distribute to shareholders, at least annually, all or substantially all of its investment company taxable income (determined without regard to the deduction for dividends paid) and net tax-exempt interest, including such accrued income, to continue to qualify as a regulated investment company and (with respect to taxable income) to avoid federal income and excise taxes. Therefore, the Acquiring Fund may have to dispose of its portfolio securities under disadvantageous circumstances to generate cash, or may have to leverage itself by borrowing the cash, to satisfy these distribution requirements.

A portion of the Acquiring Fund's expenditures that would otherwise be deductible may not be allowed as deductions by reason of the Acquiring Fund's investment in municipal securities (with such disallowed portion, in general, being the same percentage of the Acquiring Fund's aggregate expenses as the percentage of the Acquiring Fund's aggregate income (other than capital gain income) that constitutes exempt-interest income). A similar disallowance rule also applies to interest expense paid or incurred by the Acquiring Fund, if any. Such disallowed deductions, if any, will reduce the amount that the Acquiring Fund can designate as exempt-interest dividends by the disallowed amount. Income distributions by the Acquiring Fund in excess of the amount of the Acquiring Fund's exempt-interest dividends may be taxable as ordinary income.

Distributions to shareholders of net investment income received by the Acquiring Fund from taxable temporary investments, if any, and of net short-term capital gains realized by the Acquiring Fund, if any, will be taxable to its shareholders as ordinary income. Distributions by the Acquiring Fund of net capital gain (i.e., the excess of net long-term capital gain over net short-term capital loss), if any, are taxable as long-term capital gain, regardless of the length of time the shareholder has owned the shares with respect to which such distributions are made. The amount of taxable income allocable to the Acquiring Fund's shares will depend upon the amount of such income realized by the Acquiring Fund, but is not generally expected to be significant.

Distributions, if any, in excess of the Acquiring Fund's earnings and profits will first reduce the adjusted tax basis of a shareholder's shares and, after that basis has been reduced to zero, will constitute capital gain to the shareholder (assuming the shares are held as a capital asset). Qualified dividend income received by noncorporate shareholders is taxed for federal income tax purpose at rates equivalent to long-term capital gain tax rates, which reach a maximum of 15% (or 20% for certain high income individuals). Qualified dividend income generally includes dividends from domestic corporations and dividends from non-U.S. corporations that meet certain specified criteria. As long as the Acquiring Fund qualifies as a regulated investment company under the Code, it is not expected that any part of its distributions to shareholders from its investments will qualify for the Dividends Received Deduction available to corporate shareholders or as qualified dividend income in the case of noncorporate shareholders.

Distributions are treated the same for federal income tax purposes whether reinvested in additional shares of the Acquiring Fund or paid in cash.

The IRS currently requires that the Acquiring Fund designate distributions paid with respect to its common shares and its preferred shares as consisting of a portion of each type of income distributed by the Acquiring Fund. The portion of each type of income deemed received by the holders of each class of shares will be equal to the portion of the total Acquiring Fund dividends received by such class. Thus, the Acquiring Fund will designate dividends paid as exempt-interest dividends in a manner that allocates such dividends between the holders of the common shares and the preferred shares in proportion to the total dividends paid to each such class during or with respect to the taxable year, or otherwise as required by applicable law. Net capital gain dividends and ordinary income dividends will similarly be allocated between the two classes.

Earnings and profits are generally treated, for federal income tax purposes, as first being used to pay distributions on preferred shares, and then to the extent remaining, if any, to pay distributions on the common shares.

If the Acquiring Fund utilizes leverage through borrowings, or otherwise, asset coverage limitations imposed by the 1940 Act as well as additional restrictions that may be imposed by certain lenders on the payment of dividends or distributions potentially could limit or eliminate the Acquiring Fund's ability to make distributions on its common shares and/or preferred shares until the asset coverage is restored. These limitations could prevent the Acquiring Fund from distributing at least 90% of its investment company taxable income and tax-exempt interest as is required under the Code and therefore might jeopardize the Acquiring Fund's qualification as a regulated investment company and/or might subject the Acquiring Fund to a nondeductible 4% federal excise tax. Upon any failure to meet the asset coverage requirements imposed by the 1940 Act, the Acquiring Fund may, in its sole discretion and to the extent permitted under the 1940 Act, purchase or redeem preferred shares in order to maintain or restore the requisite asset coverage and avoid the adverse consequences to the Acquiring Fund and its shareholders of failing to meet the distribution requirements. There can be no assurance, however, that any such action would achieve these objectives. The Acquiring Fund endeavors to avoid restrictions on its ability to distribute dividends.

The Code provides that interest on indebtedness incurred or continued to purchase or carry the Acquiring Fund's shares to which exempt-interest dividends are allocated is not deductible. Under rules used by the IRS for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase or ownership of shares may be considered to have been made with borrowed funds even though such funds are not directly used for the purchase or ownership of such shares.

The interest on private activity bonds in most instances is not federally tax-exempt to a person who is a substantial user of a facility financed by such bonds or a related person of such substantial user. As a result, the Acquiring Fund may not be an appropriate investment for a shareholder who is considered either a substantial user or a related person within the meaning of the Code. In general, a substantial user of a facility includes a nonexempt person who regularly uses a part of such facility in his trade or business. Related persons are in general defined to include persons among whom there exists a relationship, either by family or business, which would result in a disallowance of losses in transactions among them under various provisions of the Code (or if they are members of the same controlled group of corporations under the Code), including a partnership and each of its partners (and certain members of their families), an S corporation and each of its shareholders (and certain members of their families) and various combinations of these and other relationships. The foregoing is not a complete description of all of the provisions of the Code covering the definitions of substantial user and related person.

Although dividends generally will be treated as distributed when paid, dividends declared in October, November or December, payable to shareholders of record on a specified date in one of those months and paid during the following January, will be treated as having been distributed by the Acquiring Fund (and received by the shareholders) on December 31 of the year declared.

Certain of the Acquiring Fund's investment practices are subject to special provisions of the Code that, among other things, may defer the use of certain deductions or losses of the Acquiring Fund, affect the holding period of securities held by the Acquiring Fund and alter the character of the gains or losses realized by the Acquiring Fund. These provisions may also require the Acquiring Fund to recognize income or gain without receiving cash with which to make distributions in the amounts necessary to satisfy the requirements for maintaining regulated investment company status and for avoiding federal income and excise taxes. The Acquiring Fund will monitor its transactions and may

make certain tax elections in order to mitigate the effect of these rules and prevent disqualification of the Acquiring Fund as a regulated investment company.

The sale or exchange of shares of the Acquiring Fund normally will result in capital gain or loss to shareholders who hold their shares as capital assets. Generally, a shareholder's gain or loss will be long-term capital gain or loss if the shares have been held for more than one year even though the increase in value in such shares is attributable to tax-exempt interest income. The gain or loss on shares held for one year or less will generally be treated as short-term capital gain or loss. Present law taxes both long-term and short-term capital gains of corporations at the same rates applicable to ordinary income. For noncorporate taxpayers, however, long-term capital gains are currently taxed at a maximum federal income tax rate of 15% (or 20% for certain high income individuals), while short-term capital gains and other ordinary income are currently taxed at ordinary income rates. Any loss on the sale of shares that have been held for six months or less will be disallowed to the extent of any distribution of exempt-interest dividends received with respect to such shares, unless the shares are of a regulated investment company that declares exempt-interest dividends on a daily basis in an amount equal to at least 90% of its net tax-exempt interest and distributes such dividends on a monthly or more frequent basis. If a shareholder sells or otherwise disposes of shares before holding them for more than six months, any loss on the sale or disposition will be treated as a long-term capital loss to the extent of any net capital gain dividends received by the shareholder with respect to such shares. Any loss realized on a sale or exchange of shares of the Acquiring Fund will be disallowed to the extent those shares of the Acquiring Fund are replaced by other substantially identical shares of the Acquiring Fund or other substantially identical stock or securities (including through reinvestment of dividends) within a period of 61 days beginning 30 days before and ending 30 days after the date of disposition of the original shares. In that event, the basis of the replacement stock or securities will be adjusted to reflect the disallowed loss.

Federal income tax law imposes an alternative minimum tax with respect to corporations, individuals, trusts and estates. Interest on certain private activity bonds is included as an item of tax preference in determining the amount of a taxpayer's alternative minimum taxable income. To the extent that the Acquiring Fund received income from municipal securities subject to the federal alternative minimum tax, a portion of the dividends paid by the Acquiring Fund, although otherwise exempt from U.S. federal income tax, would be taxable to its shareholders to the extent that their tax liability is determined under the federal alternative minimum tax. The Acquiring Fund will annually provide a report indicating the percentage of the Acquiring Fund's income attributable to municipal securities subject to the federal alternative minimum tax. In addition, for certain corporations, federal alternative minimum taxable income is increased by 75% of the difference between an alternative measure of income (adjusted current earnings) and the amount otherwise determined to be the alternative minimum taxable income. Interest on all municipal securities, and therefore a distribution by the Acquiring Fund that would otherwise be tax-exempt, is included in calculating a corporation's adjusted current earnings. Certain small corporations are not subject to the federal alternative minimum tax.

For taxable years beginning after December 31, 2012, certain noncorporate shareholders are subject to an additional 3.8% tax on some or all of their net investment income, which will include items of gross income that are attributable to interest, original issue discount and market discount (but not including tax-exempt interest), as well as net gain from the disposition of other property. This tax generally applies to the extent net investment income, when added to other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint

return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. Shareholders should consult their tax advisers regarding the applicability of this tax in respect of their shares.

Tax-exempt income, including exempt-interest dividends paid by the Acquiring Fund, is taken into account in calculating the amount of social security and railroad retirement benefits that may be subject to federal income tax.

The Acquiring Fund may be required to withhold U.S. federal income tax at a rate of 28% from all distributions (including exempt-interest dividends) and redemption proceeds payable to shareholders who fail to provide the Acquiring Fund with their correct taxpayer identification number or to make required certifications, or who have been notified by the IRS that they are subject to backup withholding. Corporate shareholders and certain other shareholders specified in the Code generally are exempt from such backup withholding. This withholding is not an additional tax. Any amounts withheld may be credited against the shareholder's federal income tax liability, provided the required information is furnished to the IRS.

The Code provides that every shareholder required to file a tax return must include for information purposes on such return the amount of tax-exempt interest received during the taxable year, including any exempt-interest dividends received from the Acquiring Fund.

With respect to MTP Shares, the Acquiring Fund will receive an opinion from special tax counsel that MTP Shares of the Acquiring Fund will constitute equity of the Fund, and the foregoing discussion assumes such treatment. Accordingly, distributions with respect to MTP Shares (other than distributions in redemption of MTP Shares subject to Section 302(b) of the Code) will generally constitute dividends to the extent of the Fund's current or accumulated earnings and profits, as calculated for federal income tax purposes. Because the treatment of a corporate security as debt or equity is determined on the basis of the facts and circumstances of each case, and no controlling precedent exists for the MTP Shares, there can be no assurance that the IRS will not question special tax counsel's opinion and the Acquiring Fund's treatment of MTP Shares as equity. If the IRS were to succeed in such a challenge, holders of MTP Shares could be characterized as receiving taxable interest income rather than exempt-interest or other dividends, possibly requiring them to file amended income tax returns and retroactively to recognize additional amounts of ordinary income or to pay additional tax, interest, and penalties.

Pennsylvania Tax Matters

The following is based upon the advice of K&L Gates LLP, special tax counsel to the Acquiring Fund.

The following is a general, abbreviated summary of certain provisions of the applicable Pennsylvania tax law as presently in effect as it directly governs the taxation of resident individual and corporate shareholders of the Acquiring Fund. This summary does not address the taxation of other shareholders nor does it discuss any local taxes that may be applicable. These provisions are subject to change by legislative or administrative action, and any such change may be retroactive with respect to transactions of the Acquiring Fund. The following is based on the assumptions that the Acquiring Fund will qualify each year as a regulated investment company under Subchapter M of the Code, that the Acquiring Fund will be registered under the 1940 Act, that the MTP Shares will qualify as stock of the

Acquiring Fund for federal income tax purposes, that the Acquiring Fund will satisfy all the conditions which will cause the Fund's distributions to qualify as exempt interest-dividends to shareholders for federal and Pennsylvania income tax purposes, and that the Acquiring Fund will make such distributions of income and gains as are necessary to qualify to be taxed as a regulated investment company for federal tax purposes.

The Acquiring Fund should not be subject to the Pennsylvania corporate net income tax or capital stock/franchise tax.

Distributions from the Acquiring Fund that are made out of earnings and profits of the Fund derived from interest on obligations which are statutorily free from state taxation in Pennsylvania (Exempt Obligations) will not be taxable to shareholders for purposes of the Pennsylvania personal income tax. The term Exempt Obligations includes (i) those obligations issued by the Commonwealth of Pennsylvania and its political subdivisions, agencies and instrumentalities, the interest from which is statutorily free from state taxation in the Commonwealth of Pennsylvania, and (ii) certain qualifying obligations of U.S. territories and possessions, or U.S. government obligations. Distributions attributable to most other sources, including capital gains, will not be exempt from Pennsylvania personal income tax.

Corporate shareholders will not be subject to the Pennsylvania corporate net income tax on distributions made by the Acquiring Fund, provided such distributions are derived from interest on Exempt Obligations. For Pennsylvania corporate net income tax purposes, however, the exemption of any such distribution that was included in U.S. federal taxable income shall be reduced by any interest on indebtedness incurred to carry the shares and other expenses incurred in the production of such income, including expenses deducted on the U.S. federal income tax return that would not have been allowed if the distribution were exempt from U.S. federal income tax. To support any claim for exemption, the corporate taxpayer must submit evidence that the income was received from a regulated investment company and submit a schedule indicating the percentage of income applicable to exempt and non-exempt assets. Distributions of capital gain attributable to Exempt Obligations will be subject to the Pennsylvania corporate net income tax.

Gain from the sale, exchange or other disposition of the shares generally will be subject to the Pennsylvania personal income tax and corporate net income tax.

Shares of the Acquiring Fund may be subject to the Pennsylvania inheritance tax and Pennsylvania estate tax if held by a Pennsylvania decedent at the time of death.

The foregoing is a general, abbreviated summary of certain of the provisions of Pennsylvania statutes and administrative interpretations presently in effect governing the taxation of shareholders of the Acquiring Fund. These provisions are subject to change by legislative or administrative action, and any such change may be retroactive with respect to Acquiring Fund transactions. Shareholders are advised to consult with their own tax advisors for more detailed information concerning Pennsylvania tax matters.

EXPERTS

The financial statements of the Acquiring Fund and the Target Funds appearing in the Funds' Annual Report for the year ended April 30, 2013 are incorporated by reference herein. The financial

statements have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon and incorporated herein by reference. Such financial statements are incorporated herein by reference in reliance upon such report given on the authority of such firm as experts in accounting and auditing. Ernst & Young LLP provides auditing services to the Acquiring Fund and the Target Funds. The principal business address of Ernst & Young LLP is 155 North Wacker Drive, Chicago, Illinois 60606.

CUSTODIAN, TRANSFER AGENT, DIVIDEND DISBURSING AGENT

AND REDEMPTION AND PAYING AGENT

The custodian of the assets of each Fund is State Street Bank and Trust Company, One Lincoln Street, Boston, Massachusetts 02111. The custodian performs custodial, fund accounting and portfolio accounting services. Each Fund's transfer, shareholder services and dividend paying agent is also State Street Bank and Trust Company, 250 Royall Street, Canton, Massachusetts 02021.

ADDITIONAL INFORMATION

A Registration Statement on Form N-14, including amendments thereto, relating to the common shares of the Acquiring Fund offered hereby, has been filed by the Acquiring Fund with the SEC. The Joint Proxy Statement/Prospectus and this SAI do not contain all of the information set forth in the Registration Statement, including any exhibits and schedules thereto. For further information with respect to the Acquiring Fund and the common shares offered hereby, reference is made to the Acquiring Fund's Registration Statement. Statements contained in the Joint Proxy Statement/Prospectus and this SAI as to the contents of any contract or other document referred to are not necessarily complete, and in each instance reference is made to the copy of such contract or other document filed as an exhibit to the Registration Statement, each such statement being qualified in all respects by such reference. Copies of the Registration Statement may be inspected without charge at the SEC's principal office in Washington, D.C., and copies of all or any part thereof may be obtained from the SEC upon the payment of certain fees prescribed by the SEC.

PRO FORMA FINANCIAL INFORMATION

(UNAUDITED)

The unaudited pro forma financial information set forth below is for informational purposes only and does not purport to be indicative of the financial condition that actually would have resulted if the Reorganizations had been consummated. The closing of the Reorganizations is contingent upon certain conditions being satisfied or waived, including that shareholders of each Fund, voting separately, must approve the Reorganization(s) for their Fund and that shareholders of the Acquiring Fund must approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganizations. If one Fund does not obtain the requisite approvals, the closing will not occur for any Fund. These pro forma numbers have been estimated in good faith based on information regarding the Target Funds and Acquiring Fund as of April 30, 2013. The unaudited pro forma financial information should be read in conjunction with the historical financial statements of the Target Funds and the Acquiring Fund, which are available in their respective annual shareholder reports.

Narrative Description of the Pro Forma Effects of the Reorganizations

Note 1 Reorganization

The unaudited pro forma information has been prepared to give effect to the proposed reorganizations of the Target Funds into the Acquiring Fund pursuant to an Agreement and Plan of Reorganization (the Plan) as of the beginning of the period indicated in the table below.

| Target Funds | Acquiring Fund | 12 Month Period Ended |
|------------------------------|--------------------------------|------------------------------|
| Nuveen Pennsylvania Premium | Nuveen Pennsylvania Investment | April 30, 2013 |
| Income Municipal Fund 2 | Quality Municipal Fund | |
| (Premium Income) | (Acquiring Fund) | |
| Nuveen Pennsylvania Dividend | | |
| Advantage Municipal Fund | | |
| (Dividend Advantage) | | |
| Nuveen Pennsylvania Dividend | | |
| Advantage Municipal Fund 2 | | |
| (Dividend Advantage 2) | | |

Note 2 Basis of Pro Forma

Each Reorganization will be accounted for as a tax-free reorganization of investment companies; therefore, no gain or loss will be recognized by the Acquiring Fund or its shareholders as a result of a Reorganization. The Target Funds and the Acquiring Fund are registered closed-end management investment companies. The Reorganizations would be accomplished by the acquisition of substantially all of the assets and the assumption of substantially all of the liabilities of the Target Funds by the Acquiring Fund in exchange for shares of the Acquiring Fund and the distribution of such shares to Target Funds' shareholders in complete liquidation of the Target Funds. The pro forma financial information has been adjusted to reflect the Reorganization costs discussed in Note 4 and the assumption that Premium Income, Dividend Advantage and Dividend Advantage 2 will make undistributed net investment income distributions of \$2,101,950, \$113,932 and \$70,159, respectively, and Dividend Advantage and Dividend Advantage 2 will make accumulated net realized gain distributions of \$18,899 and \$49,693, respectively, to their shareholders prior to the Reorganizations. The table below shows the common shares that Target Funds shareholders would have received if the Reorganizations were to have taken place on the period ended date in Note 1.

| Target Fund | Shares Exchanged |
|----------------------|-------------------------|
| Premium Income | 14,775,673 |
| Dividend Advantage | 3,226,381 |
| Dividend Advantage 2 | 3,555,555 |

In accordance with accounting principles generally accepted in the United States of America, each Reorganization will be accounted for as a tax-free reorganization for federal income tax purposes. For financial reporting purposes, the historical cost basis of the investments received from each Target Fund will be carried forward to align ongoing reporting of the realized and unrealized gains and losses of the surviving fund (which will be the Acquiring Fund) with amounts distributable to shareholders for tax purposes.

| Fund | Net Assets Applicable to Common Shares | As-of Date |
|-------------------------|---|----------------|
| Acquiring Fund | \$ 261,195,218 | April 30, 2013 |
| Premium Income | \$ 241,439,538 | April 30, 2013 |
| Dividend Advantage | \$ 52,623,109 | April 30, 2013 |
| Dividend Advantage 2 | \$ 57,890,992 | April 30, 2013 |
| Combined Fund Pro Forma | \$ 610,004,224 | April 30, 2013 |

Note 3 Pro Forma Expense Adjustments

The table below reflects adjustments to annual expenses made to the Combined Fund Pro Forma financial information as if the Reorganizations had taken place on the first day of the period as disclosed in Note 1. The pro forma information has been derived from the books and records used in calculating daily net asset values of the Target Funds and the Acquiring Fund and has been prepared in accordance with accounting principles generally accepted in the United States of America which requires management to make estimates and assumptions that affect this information. Pro forma expenses do not include the expenses to be charged to the Funds in connection with the Reorganizations. Percentages presented below are the increase (decrease) in expenses divided by the Combined Fund Pro Forma Net Assets Applicable to Common Shares presented in Note 2. Actual results could differ from those estimates. No other significant pro forma effects are expected to result from the Reorganizations.

| Net Expense Category | Increase (Decrease) | |
|--|---------------------|------------------------|
| | Dollar Amount | Percentage |
| Management fees ¹ | \$ (136,661) | (0.02)% |
| Professional fees ² | (67,584) | (0.01)% |
| Shareholder reporting expenses ² | (26,119) | (0.00)% ⁽³⁾ |
| Stock exchange listing fees ² | (24,686) | (0.00)% ⁽³⁾ |
| Custodian fees and expenses ² | (23,304) | (0.00)% ⁽³⁾ |
| Shareholder servicing agent fees and expenses ² | (12,000) | (0.00)% ⁽³⁾ |
| Total Pro Forma Net Expense Adjustment | \$ (290,354) | (0.05)% |

- (1) Reflects the impact of applying the Acquiring Fund's fund-level management fee rates following the Reorganizations to the combined fund's average net assets.
- (2) Reflects the anticipated reduction of certain duplicative expenses eliminated as a result of the Reorganizations.
- (3) Rounds to less than (0.01)%.

No significant accounting policies will change as a result of the Reorganizations, specifically policies regarding security valuation or compliance with Subchapter M of the Internal Revenue Code of 1986, as amended. No significant changes to any existing contracts of the Acquiring Fund are expected as a result of the Reorganizations.

Note 4 Reorganization Costs

The Reorganization costs (whether or not the Reorganizations are consummated) will be allocated among the Funds. The costs of the Reorganizations are estimated to be \$50,000 for Premium Income, \$240,000 for Dividend Advantage and \$190,000 for Dividend Advantage 2. These costs represent the estimated nonrecurring expenses of the Target Funds in carrying out their obligations

under the Plan and consist of management's estimate of professional service fees, printing costs and mailing charges related to the proposed Reorganizations to be borne by the Target Funds. The Acquiring Fund is expected to be charged approximately \$310,000 of expenses in connection with the Reorganizations. The Combined Fund Pro Forma financial information included in Note 2 has been adjusted for any costs related to the Reorganizations to be borne by the Funds. Reorganization costs do not include any commissions that would be incurred due to portfolio realignment.

If the Reorganizations had occurred as of April 30, 2013, the Acquiring Fund would not have been required to dispose of securities of the Target Funds in order to comply with its investment policies and restrictions, and would have not sold any material portion (i.e., more than 5% of a Target Fund's assets) of the securities in the Target Funds' portfolios solely as a result of the Reorganizations.

Note 5 Accounting Survivor

The Acquiring Fund will be the accounting survivor. The surviving fund will have the portfolio management team, portfolio composition, strategies, investment objectives, expense structure and policies/restrictions of the Acquiring Fund.

Note 6 Capital Loss Carryforward

As of April 30, 2013, the Funds had capital loss carryforwards as follows:

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 |
|----------------------------|---------------------------|---------------------------|-------------------------------|---------------------------------|
| Capital loss carryforwards | \$ 13,518 | \$ 2,167,149 | \$ | \$ |

If not applied, the capital loss carryforwards will expire as follows:

| | Acquiring Fund | Premium Income | Dividend Advantage | Dividend Advantage 2 |
|------------------|---------------------------|---------------------------|-------------------------------|---------------------------------|
| Expiration Date: | | | | |
| April 30, 2017 | \$ 13,518 | \$ 2,167,149 | \$ | \$ |

APPENDIX A

RATINGS OF INVESTMENTS

Standard & Poor's Ratings Services A brief description of the applicable Standard & Poor's Ratings Services LLC, a Standard & Poor's Financial Services LLC business (Standard & Poor's or S&P), rating symbols and their meanings (as published by S&P) follows:

A Standard & Poor's issue credit rating is a current opinion of the creditworthiness of an obligor with respect to a specific financial obligation, a specific class of financial obligations, or a specific financial program (including ratings on medium term note programs and commercial paper programs). It takes into consideration the creditworthiness of guarantors, insurers, or other forms of credit enhancement on the obligation and takes into account the currency in which the obligation is denominated. The issue credit rating is not a recommendation to purchase, sell, or hold a financial obligation, inasmuch as it does not comment as to market price or suitability for a particular investor.

Issue credit ratings are based on current information furnished by the obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any credit rating and may, on occasion, rely on unaudited financial information. Credit ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Issue credit ratings can be either long-term or short-term. Short-term ratings are generally assigned to those obligations considered short-term in the relevant market. In the U.S., for example, that means obligations with an original maturity of no more than 365 days including commercial paper.

Short-term ratings are also used to indicate the creditworthiness of an obligor with respect to put features on long-term obligations. The result is a dual rating, in which the short-term rating addresses the put feature, in addition to the usual long-term rating. Medium-term notes are assigned long-term ratings.

Long-Term Issue Credit Ratings

Issue credit ratings are based in varying degrees, on the following considerations:

1. Likelihood of payment capacity and willingness of the obligor to meet its financial commitment on an obligation in accordance with the terms of the obligation;
2. Nature of and provisions of the obligation; and
3. Protection afforded by, and relative position of, the obligation in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights.

The issue ratings definitions are expressed in terms of default risk. As such, they pertain to senior obligations of an entity. Junior obligations are typically rated lower than senior obligations, to reflect the lower priority in bankruptcy, as noted above. (Such differentiation applies when an entity has both senior and subordinated obligations, secured and unsecured obligations, or operating company

and holding company obligations.) Accordingly, in the case of junior debt, the rating may not conform exactly with the category definition.

AAA

An obligation rated AAA has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong.

AA

An obligation rated AA differs from the highest-rated obligations only in small degree. The obligor's capacity to meet its financial commitment on the obligation is very strong.

A

An obligation rated A is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

BBB

An obligation rated BBB exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

BB, B, CCC, CC, and C

Obligations rated BB, B, CCC, CC, and C are regarded as having significant speculative characteristics. BB indicates the least degree of speculation and C the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions.

BB

An obligation rated BB is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions, which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

B

An obligation rated B is more vulnerable to nonpayment than obligations rated BB, but the obligor currently has the capacity to meet its financial commitment on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitment on the obligation.

CCC

An obligation rated CCC is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment

on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitment on the obligation.

CC

An obligation rated CC is currently highly vulnerable to nonpayment.

C

A Subordinated debt or preferred stock obligation rated C is CURRENTLY HIGHLY VULNERABLE to nonpayment. The C rating may be used to cover a situation where a bankruptcy petition has been filed or similar action has been taken, but payments on this obligation are being continued. A C also will be assigned to a preferred stock issue in arrears on dividends or sinking fund payments, but that is currently paying.

D

An obligation rated D is in payment default. The D rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Plus (+) or minus (-). The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

r

This symbol is attached to the ratings of instruments with significant noncredit risks. It highlights risks to principal or volatility of expected returns which are not addressed in the credit rating.

N.R.

This indicates that no rating has been requested, that there is insufficient information on which to base a rating, or that Standard & Poor's does not rate a particular obligation as a matter of policy.

Short-Term Issue Credit Ratings

A-1

A short-term obligation rated A-1 is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitment on these obligations is extremely strong.

A-2

A short-term obligation rated A-2 is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rating categories. However, the obligor's capacity to meet its financial commitment on the obligation is satisfactory.

A-3

A-3

A short-term obligation rated A-3 exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

B

A short-term obligation rated B is regarded as having significant speculative characteristics. The obligor currently has the capacity to meet its financial commitment on the obligation; however, it faces major ongoing uncertainties which could lead to the obligor's inadequate capacity to meet its financial commitment on the obligation.

C

A short-term obligation rated C is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial commitment on the obligation.

D

A short-term obligation rated D is in payment default. The D rating category is used when payments on an obligation are not made on the date due even if the applicable grace period has not expired, unless Standard & Poor's believes that such payments will be made during such grace period. The D rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

Moody's Investors Service, Inc. A brief description of the applicable Moody's Investors Service, Inc. (Moody's) rating symbols and their meanings (as published by Moody's) follows:

Municipal Bonds

Aaa

Bonds that are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as gilt edged. Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa

Bonds that are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than in Aaa securities.

A

Bonds that are rated A possess many favorable investment attributes and are to be considered as upper medium grade obligations. Factors giving security to principal and interest are considered adequate, but elements may be present that suggest a susceptibility to impairment sometime in the future.

Baa

Bonds that are rated Baa are considered as medium grade obligations, i.e., they are neither highly protected nor poorly secured. Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba

Bonds that are rated Ba are judged to have speculative elements; their future cannot be considered as well assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B

Bonds that are rated B generally lack characteristics of the desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa

Bonds that are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca

Bonds that are rated Ca represent obligations that are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C

Bonds that are rated C are the lowest rated class of bonds, and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

#(hatchmark): Represents issues that are secured by escrowed funds held in cash, held in trust, invested and reinvested in direct, non-callable, non-prepayable United States government obligations or non-callable, non-prepayable obligations unconditionally guaranteed by the U.S. Government, Resolution Funding Corporation debt obligations.

Con. (...): Bonds for which the security depends upon the completion of some act or the fulfillment of some condition are rated conditionally. These are bonds secured by (a) earnings of projects under construction, (b) earnings of projects unseasoned in operation experience, (c) rentals

that begin when facilities are completed, or (d) payments to which some other limiting condition attaches. The parenthetical rating denotes probable credit stature upon completion of construction or elimination of the basis of the condition.

(P): When applied to forward delivery bonds, indicates the rating is provisional pending delivery of the bonds. The rating may be revised prior to delivery if changes occur in the legal documents or the underlying credit quality of the bonds.

Note: Moody's applies numerical modifiers 1, 2 and 3 in each generic rating classification from Aa through Caa. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Short-Term Loans

MIG 1/VMIG 1

This designation denotes superior credit quality. Excellent protection is afforded by established cash flows, highly reliable liquidity support, or demonstrated broad-based access to the market for refinancing.

MIG 2/VMIG 2

This designation denotes strong credit quality. Margins of protection are ample, although not as large as in the preceding group.

MIG 3/VMIG 3

This designation denotes acceptable credit quality. Liquidity and cash-flow protection may be narrow, and market access for refinancing is likely to be less well-established.

SG

This designation denotes speculative-grade credit quality. Debt instruments in this category may lack sufficient margins of protection.

Commercial Paper

Issuers (or supporting institutions) rated Prime-1 have a superior ability for repayment of senior short-term debt obligations. Prime-1 repayment ability will normally be evidenced by the following characteristics:

Leading market positions in well-established industries.

High rates of return on funds employed.

Conservative capitalization structures with moderate reliance on debt and ample asset protection.

Broad margins in earnings coverage of fixed financial charges and high internal cash generation.

Well-established access to a range of financial markets and assured sources of alternate liquidity.

Issuers (or supporting institutions) rated Prime-2 have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, may be more subject to variation than is the case for Prime-2 securities. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

Issuers (or supporting institutions) rated Prime-3 have an acceptable ability for repayment of senior short-term debt obligations. The effect of industry characteristics and market composition may be more pronounced. Variability in earnings and profitability may result in changes in the level of debt protection measurements and the requirement for relatively high financial leverage. Adequate alternate liquidity is maintained.

Issuers rated Not Prime do not fall within any of the Prime rating categories.

Fitch Ratings, Inc. A brief description of the applicable Fitch Ratings, Inc. (Fitch) ratings symbols and meanings (as published by Fitch) follows:

Long-Term Credit Ratings

Investment Grade

AAA

Highest credit quality. AAA ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events.

AA

Very high credit quality. AA ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

A

High credit quality. A ratings denote a low expectation of credit risk. The capacity for timely payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to changes in circumstances or in economic conditions than is the case for higher ratings.

BBB

Good credit quality. BBB ratings indicate that there is currently a low expectation of credit risk. The capacity for timely payment of financial commitments is considered adequate, but adverse changes in circumstances and in economic conditions are more likely to impair this capacity. This is the lowest investment-grade category.

Speculative Grade

BB

Speculative. BB ratings indicate that there is a possibility of credit risk developing, particularly as the result of adverse economic change over time; however, business or financial alternatives may be available to allow financial commitments to be met. Securities rated in this category are not investment grade.

B

Highly speculative. B ratings indicate that significant credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is contingent upon a sustained, favorable business and economic environment.

CCC, CC, C

High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic developments. A CC rating indicates that default of some kind appears probable. C ratings signal imminent default.

DDD, DD, and D Default

The ratings of obligations in this category are based on their prospects for achieving partial or full recovery in a reorganization or liquidation of the obligor. While expected recovery values are highly speculative and cannot be estimated with any precision, the following serve as general guidelines. DDD obligations have the highest potential for recovery, around 90%-100% of outstanding amounts and accrued interest. DD indicates potential recoveries in the range of 50%-90%, and D the lowest recovery potential, i.e., below 50%. Entities rated in this category have defaulted on some or all of their obligations. Entities rated DDD have the highest prospect for resumption of performance or continued operation with or without a formal reorganization process. Entities rated DD and D are generally undergoing a formal reorganization or liquidation process; those rated DD are likely to satisfy a higher portion of their outstanding obligations, while entities rated D have a poor prospect for repaying all obligations.

Short-Term Credit Ratings

A short-term rating has a time horizon of less than 12 months for most obligations, or up to three years for U.S. public finance securities, and thus places greater emphasis on the liquidity necessary to meet financial commitments in a timely manner.

F1

Highest credit quality. Indicates the strongest capacity for timely payment of financial commitments; may have an added + to denote any exceptionally strong credit feature.

F2

Good credit quality. A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.

F3

Fair credit quality. The capacity for timely payment of financial commitments is adequate; however, near-term adverse changes could result in a reduction to non-investment grade.

B

Speculative Minimal capacity for timely payment of financial commitments, plus vulnerability to near-term adverse changes in financial and economic conditions.

C

High default risk. Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment.

D

Default. Denotes actual or imminent payment default.

Notes to Long-term and Short-term ratings:

+ or - may be appended to a rating to denote relative status within major rating categories. Such suffixes are not added to the AAA Long-term rating category, to categories below CCC, or to Short-term ratings other than F1.

NR indicates that Fitch does not rate the issuer or issue in question.

Withdrawn : A rating is withdrawn when Fitch deems the amount of information available to be inadequate for rating purposes, or when an obligation matures, is called, or refinanced.

Rating Watch: Ratings are placed on Rating Watch to notify investors that there is a reasonable probability of a rating change and the likely direction of such change. These are designated as Positive, indicating a potential upgrade, Negative, for a potential downgrade, or Evolving, if ratings may be raised, lowered or maintained. Rating Watch is typically resolved over a relatively short period.

A Rating Outlook indicates the direction a rating is likely to move over a one to two year period. Outlooks may be positive, stable, or negative. A positive or negative Rating Outlook does not imply a rating change is inevitable. Similarly, ratings for which outlooks are stable could be downgraded before an outlook moves to positive or negative if circumstances warrant such an action. Occasionally, Fitch may be unable to identify the fundamental trend. In these cases, the Rating Outlook may be described as evolving.

APPENDIX B

TAXABLE EQUIVALENT YIELD TABLE

The taxable equivalent yield is the current yield you would need to earn on a taxable investment in order to equal a stated tax-free yield on a municipal investment. To assist you to more easily compare municipal investments like the Fund with taxable alternative investments, the table below presents the approximate taxable equivalent yields for individuals for a range of hypothetical tax-free yields assuming the stated marginal federal income tax rates for 2013 listed below. This table should not be considered a representation or guarantee of future results.

TAXABLE EQUIVALENT OF TAX-FREE YIELDS*

| Single-Return Bracket | Joint-Return Bracket | Federal Tax Rate | 4.00% | 4.50% | 5.00% | 5.50% | 6.00% | 6.50% | 7.00% | 7.50% |
|--------------------------|-------------------------|------------------------|-------|-------|-------|-------|-------|--------|--------|--------|
| 0-\$8,925 | 0-\$17,850 | 10.0% | 4.44% | 5.00% | 5.56% | 6.11% | 6.67% | 7.22% | 7.78% | 8.33% |
| \$8,925-\$36,250 | \$17,850-\$72,500 | 15.0% | 4.71% | 5.29% | 5.88% | 6.47% | 7.06% | 7.65% | 8.24% | 8.82% |
| \$36,250-\$87,850 | \$72,500-\$146,400 | 25.0% | 5.33% | 6.00% | 6.67% | 7.33% | 8.00% | 8.67% | 9.33% | 10.00% |
| \$87,850-\$183,250 | \$146,400-\$223,050 | 28.0% | 5.56% | 6.25% | 6.94% | 7.64% | 8.33% | 9.03% | 9.72% | 10.42% |
| \$183,250-\$398,350 | \$223,050-\$398,350 | 33.0% | 5.97% | 6.72% | 7.46% | 8.21% | 8.96% | 9.70% | 10.45% | 11.19% |
| \$398,350-\$400,000 | \$398,350-\$450,000 | 35.0% | 6.15% | 6.92% | 7.69% | 8.46% | 9.23% | 10.00% | 10.77% | 11.54% |
| Over \$400,000 | Over \$450,000 | 39.6% | 6.62% | 7.45% | 8.28% | 9.11% | 9.93% | 10.76% | 11.59% | 12.42% |

* Please note that the table does not reflect (i) any federal limitations on the amounts of allowable itemized deductions, phase-outs of personal or dependent exemption credits or other allowable credits, (ii) any state or local taxes imposed, or (iii) any alternative minimum taxes or any taxes other than federal personal income taxes.

APPENDIX C

**NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND
FORM OF STATEMENT ESTABLISHING AND FIXING THE RIGHTS AND
PREFERENCES
OF MUNIFUND TERM PREFERRED SHARES**

C-1

TABLE OF CONTENTS

| | Page |
|---|-------------|
| <u>DEFINITIONS</u> | 1 |
| 1.1 <u>Definitions</u> | 1 |
| 1.2 <u>Interpretation</u> | 10 |
| <u>TERMS APPLICABLE TO ALL SERIES OF MUNIFUND TERM PREFERRED SHARES</u> | 10 |
| 2.1 <u>Number of Shares; Ranking</u> | 10 |
| 2.2 <u>Dividends and Distributions</u> | 11 |
| 2.3 <u>Liquidation Rights</u> | 14 |
| 2.4 <u>Coverage & Leverage Tests</u> | 14 |
| 2.5 <u>Redemption</u> | 16 |
| 2.6 <u>Voting Rights</u> | 21 |
| 2.7 <u>Rating Agency</u> | 24 |
| 2.8 <u>Issuance of Additional Preferred Shares</u> | 24 |
| 2.9 <u>Status of Redeemed or Repurchased MuniFund Term Preferred Shares</u> | 25 |
| 2.10 <u>Distributions with respect to Taxable Allocations</u> | 25 |
| 2.11 <u>Term Redemption Liquidity Account and Liquidity Requirement</u> | 26 |
| 2.12 <u>Global Certificate</u> | 27 |
| 2.13 <u>Notice</u> | 27 |
| 2.14 <u>Termination</u> | 27 |
| 2.15 <u>Appendices</u> | 28 |
| 2.16 <u>Actions on Other than Business Days</u> | 28 |
| 2.17 <u>Modification</u> | 28 |
| 2.18 <u>No Additional Rights</u> | 28 |

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND
STATEMENT ESTABLISHING AND FIXING THE RIGHTS AND PREFERENCES
OF MUNIFUND TERM PREFERRED SHARES

Nuveen Pennsylvania Investment Quality Municipal Fund (the Fund), a Massachusetts business trust, certifies that:

FIRST: The Fund is authorized under Article IV of the Fund's Declaration of Trust, as amended (which, as hereafter restated or amended from time to time, is herein called the Declaration), to issue an unlimited number of preferred shares, par value \$.01 per share.

SECOND: Pursuant to the authority expressly vested in the Board of Trustees of the Fund by Article IV of the Declaration, the Board of Trustees has, by resolution, authorized the issuance of a class of preferred shares, \$.01 par value per share, such shares to be classified as MuniFund Term Preferred Shares, and such shares to be issued in one or more series (each such series, a Series). The terms related to a Series may be set forth in this Statement through an Appendix (as detailed below) attached hereto or in a separate Statement.

THIRD: The number of shares, preferences, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption, of each Series of MuniFund Term Preferred Shares are set forth in this Statement, as modified, amended or supplemented in the Appendix (each an Appendix and collectively the Appendices) to this Statement specifically relating to such Series as now or hereafter filed by the Fund with the Secretary of the Commonwealth of Massachusetts (each such Series being referred to herein as a Series of MuniFund Term Preferred Shares, and shares of all such Series being referred to herein individually as a MuniFund Term Preferred Share and collectively as the MuniFund Term Preferred Shares).

DEFINITIONS

1.

1.1 Definitions. Unless the context or use indicates another or different meaning or intent and except with respect to any Series as specifically provided in the Appendix applicable to such Series, each of the following terms when used in this Statement shall have the meaning ascribed to it below, whether such term is used in the singular or plural and regardless of tense:

1940 Act means the Investment Company Act of 1940, as amended, or any successor statute.

1940 Act Asset Coverage means asset coverage, as defined for purposes of Section 18(h) of the 1940 Act, of at least 200% with respect to all outstanding senior securities of the Fund which are shares of stock for purposes of the 1940 Act, including all outstanding MuniFund Term Preferred Shares (or such other asset coverage as may in the future be specified in or under the 1940 Act or by rule, regulation or order of United States Securities and Exchange Commission as the minimum asset coverage for senior securities which are shares of stock of a closed-end investment company).

Additional Amount Payment means a payment to a Holder of MuniFund Term Preferred Shares of an amount which, when taken-together with the aggregate amount of Taxable Allocations made to such Holder to which such Additional Amount Payment relates, would cause such Holder's dividends in dollars (after federal income tax consequences) from the aggregate of such Taxable Allocations and the related Additional Amount Payment to be equal to the dollar amount of the dividends that would have been received by such Holder if the amount of such aggregate Taxable Allocations would have been excludable (for federal income tax purposes) from the gross income of such Holder. Such Additional Amount Payment shall be calculated (i) without consideration being given to the time value of money; (ii) assuming that no Holder of MuniFund Term Preferred Shares is subject to the federal alternative minimum tax with respect to dividends received from the Fund; and (iii) assuming that each Taxable Allocation and each Additional Amount Payment (except to the extent such Additional Amount Payment is designated as an exempt-interest dividend under Section 852(b)(5) of the Code) would be taxable in the hands of each Holder of MuniFund Term Preferred Shares at the maximum marginal regular federal individual income tax rate applicable to ordinary income or net capital gains, as applicable, or the maximum marginal regular federal corporate income tax rate applicable to ordinary income or net capital gains, as applicable, whichever is greater, in effect at the time such Additional Amount Payment is paid.

Adviser means Nuveen Fund Advisors, LLC, a Delaware limited liability company, or such other entity as shall be then serving as the investment adviser of the Fund, and shall include, as appropriate, any sub-adviser duly appointed by the Adviser.

Appendices and Appendix shall have the respective meanings as set forth in the Recitals of this Statement.

Asset Coverage means asset coverage of a class of senior security which is a stock, as defined for purposes of Section 18(h) of the 1940 Act as in effect on the date hereof, determined on the basis of values calculated as of a time within 48 hours (only including Business Days) next preceding the time of such determination.

Asset Coverage Cure Date means, with respect to the failure by the Fund to maintain Asset Coverage as of the close of business on a Business Day (as required by Section 2.4(a)), the date that is thirty (30) calendar days following such Business Day.

Board of Trustees means the Board of Trustees of the Fund or any duly authorized committee thereof as permitted by applicable law.

Business Day means any calendar day on which the New York Stock Exchange is open for trading.

By-Laws means the By-Laws of the Fund as amended from time to time.

Code means the Internal Revenue Code of 1986, as amended.

Common Shares means the common shares of beneficial interest, par value \$.01 per share, of the Fund.

Custodian means a bank, as defined in Section 2(a)(5) of the 1940 Act, that has the qualifications prescribed in paragraph 1 of Section 26(a) of the 1940 Act, or such other entity as shall

be providing custodian services to the Fund as permitted by the 1940 Act or any rule, regulation, or order thereunder, and shall include, as appropriate, any similarly qualified sub-custodian duly appointed by the Custodian.

Custodian Agreement means, with respect to any Series, the Custodian Agreement by and among the Custodian and the Fund with respect to such Series.

Date of Original Issue means, with respect to any Series, the date specified as the Date of Original Issue for such Series in the Appendix for such Series.

Declaration shall have the meaning as set forth in the Recitals of this Statement. Default shall have the meaning as set forth in Section 2.2(h)(i).

Default Period shall have the meaning as set forth in Section 2.2(h)(i).

Default Rate shall have the meaning as set forth in Section 2.2(h)(i).

Deposit Securities means, as of any date, any United States dollar-denominated security or other investment of a type described below that either (i) is a demand obligation payable to the holder thereof on any Business Day or (ii) has a maturity date, mandatory redemption date or mandatory payment date, on its face or at the option of the holder, preceding the relevant Redemption Date, Dividend Payment Date or other payment date in respect of which such security or other investment has been deposited or set aside as a Deposit Security:

- (1) cash or any cash equivalent;
- (2) any U.S. Government Obligation;
- (3) any Municipal Obligation that has a credit rating from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to Municipal Obligations with substantially similar terms as of the date of this Statement (or such rating's future equivalent), including (A) any such Municipal Obligation that has been pre-refunded by the issuer thereof with the proceeds of such refunding having been irrevocably deposited in trust or escrow for the repayment thereof and (B) any such fixed or variable rate Municipal Obligation that qualifies as an eligible security under Rule 2a-7 under the 1940 Act;
- (4) any investment in any money market fund registered under the 1940 Act that qualifies under Rule 2a-7 under the 1940 Act, or similar investment vehicle described in Rule 12d1-1(b)(2) under the 1940 Act, that invests principally in Municipal Obligations or U.S. Government Obligations or any combination thereof; or
- (5) any letter of credit from a bank or other financial institution that has a credit rating from at least one NRSRO that is the highest applicable rating generally ascribed by such NRSRO to bank deposits or short-term debt of similar banks or other financial institutions as of the date of this Statement (or such rating's future equivalent).

Dividend Default shall have the meaning as set forth in Section 2.2(h)(i).

Dividend Payment Date means, with respect to any Series, each of the Dividend Payment Dates for such Series set forth in the Appendix for such Series.

Dividend Period means, with respect to any Series, the Dividend Period for such Series set forth in the Appendix for such Series.

Dividend Rate means, with respect to any Series and as of any date, the Fixed Dividend Rate for that Series as adjusted (if applicable) on such date in accordance with the provisions of Section 2.2(c) and Section 2.2(h).

Effective Leverage Ratio shall have the meaning as set forth in Section 2.4(d).

Effective Leverage Ratio Cure Date shall have the meaning as set forth in Section 2.5(b)(ii)(A).

Electronic Means means email transmission, facsimile transmission or other similar electronic means of communication providing evidence of transmission (but excluding online communications systems covered by a separate agreement) acceptable to the sending party and the receiving party, in any case if operative as between any two parties, or, if not operative, by telephone (promptly confirmed by any other method set forth in this definition), which, in the case of notices to the Redemption and Paying Agent and the Custodian, shall be sent by such means to each of its representatives set forth in the Redemption and Paying Agent Agreement and the Custodian Agreement, respectively.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Fitch means Fitch Ratings, Inc. and any successor or successors thereto.

Fixed Dividend Rate means, with respect to any Series, the rate per annum specified as the Fixed Dividend Rate for such Series in the Appendix for such Series.

Fund shall have the meaning as set forth in the Preamble to this Statement.

Holder means, with respect to the MuniFund Term Preferred Shares of any Series or any other security issued by the Fund, a Person in whose name such security is registered in the registration books of the Fund maintained by the Redemption and Paying Agent or otherwise.

Liquidation Preference means, with respect to any Series, the amount specified as the liquidation preference per share for that Series in the Appendix for such Series.

Liquidity Account Initial Date means, with respect to any Series, the date designated as the Liquidity Account Initial Date in the Appendix for such Series.

Liquidity Account Investments means Deposit Securities or any other security or investment owned by the Fund that is rated not less than A3 by Moody's, A- by Standard & Poor's, A- by Fitch or an equivalent rating by any other NRSRO (or any such rating's future equivalent).

Liquidity Requirement shall have the meaning as set forth in Section 2.11(b).

Mandatory Redemption Price shall have the meaning as set forth in Section 2.5(b)(i)(A).

Market Value of any asset of the Fund means, for securities for which market quotations are readily available, the market value thereof determined by an independent third-party pricing service designated from time to time by the Board of Trustees. Market Value of any asset shall include any interest accrued thereon. The pricing service values portfolio securities at the mean between the quoted bid and asked price or the yield equivalent when quotations are readily available. Securities for which quotations are not readily available are valued at fair value as determined by the pricing service using methods that include consideration of: yields or prices of Municipal Obligations of comparable quality, type of issue, coupon, maturity and rating; indications as to value from dealers; and general market conditions. The pricing service may employ electronic data processing techniques or a matrix system, or both, to determine recommended valuations.

Moody's means Moody's Investors Service, Inc. and any successor or successors thereto.

Municipal Obligation means municipal securities as described in the prospectus or other offering document for a Series.

MuniFund Term Preferred Shares shall have the meaning as set forth in the Recitals of this Statement.

Non-Call Period means, with respect to any Series, the period (if any) during which such Series shall not be subject to redemption at the option of the Fund, as set forth in the Appendix for such Series.

Notice of Redemption shall have the meaning as set forth in Section 2.5(d).

Notice of Taxable Allocation shall have the meaning as set forth in Section 2.10(a).

NRSRO means any nationally recognized statistical rating organization within the meaning of Section 3(a)(62) of the Exchange Act.

Optional Redemption Date shall have the meaning as set forth in Section 2.5(c)(i).

Optional Redemption Premium means, with respect to any Series, the premium (expressed as a percentage of the Liquidation Preference of the shares of such Series) payable by the Fund upon the redemption of MuniFund Term Preferred Shares of such Series at the option of the Fund, as set forth in the Appendix for such Series.

Optional Redemption Price shall have the meaning as set forth in Section 2.5(c)(i).

Outstanding means, as of any date with respect to MuniFund Term Preferred Shares of any Series, the number of MuniFund Term Preferred Shares of such Series theretofore issued by the Fund except (without duplication):

(a) any shares of such Series theretofore cancelled or redeemed or delivered to the Redemption and Paying Agent for cancellation or redemption in accordance with the terms hereof;

(b) any shares of such Series as to which the Fund shall have given a Notice of Redemption and irrevocably deposited with the Redemption and Paying Agent sufficient Deposit Securities to redeem such shares in accordance with Section 2.5 hereof;

- (c) any shares of such Series as to which the Fund shall be the Holder or the beneficial owner; and
- (d) any shares of such Series represented by any certificate in lieu of which any new certificate has been executed and delivered by the Fund.

Person means and includes an individual, a partnership, the Fund, a trust, a corporation, a limited liability company, an unincorporated association, a joint venture or other entity or a government or any agency or political subdivision thereof.

Preferred Shares means the authorized preferred shares of beneficial interest, par value \$.01 per share, of the Fund, including shares of each Series of MuniFund Term Preferred Shares, shares of any other series of preferred shares now or hereafter issued by the Fund, and any other shares of beneficial interest hereafter authorized and issued by the Fund of a class having priority over any other class as to distribution of assets or payments of dividends.

Rating Agencies means any of Moody's, Standard & Poor's or Fitch, as designated by the Board of Trustees from time to time as contemplated by Section 2.7 to be a Rating Agency for purposes of this Statement. The Board of Trustees has initially designated Moody's, Standard & Poor's and Fitch to be Rating Agencies hereunder. In the event that at any time any Rating Agency (i) ceases to be a Rating Agency for purposes of any Series of MuniFund Term Preferred Shares, any references to any credit rating of such Rating Agency in this Statement or any Appendix shall be deemed instead to be references to the equivalent credit rating of the Rating Agency designated by the Board of Trustees to replace such Rating Agency (if any such replacement is made) as of the most recent date on which such other Rating Agency published credit ratings for such Series of MuniFund Term Preferred Shares or (ii) replaces any credit rating of such Rating Agency with a replacement credit rating, any references to such replaced credit rating of such Rating Agency contained in this Statement or any Appendix shall instead be deemed to be references to such replacement credit rating. In the event that at any time the designation of any Rating Agency as a Rating Agency for purposes of any Series of MuniFund Term Preferred Shares is terminated by the Board of Trustees, any rating of such terminated Rating Agency, to the extent it would have been taken into account in any of the provisions of this Statement or the Appendix for such Series, shall be disregarded, and only the ratings of the then-designated Rating Agencies for such Series shall be taken into account for purposes of this Statement and such Appendix.

Rating Agency Guidelines means the guidelines of any Rating Agency, as they may be amended or modified from time to time, compliance with which is required to cause such Rating Agency to continue to issue a rating with respect to a Series of MuniFund Term Preferred Shares for so long as such Series is Outstanding (which credit rating may consist of a credit rating on the MuniFund Term Preferred Shares generally or the Preferred Shares generally).

Rating Downgrade Period means, with respect to any Series, any period during which the MuniFund Term Preferred Shares of such Series are rated A+ or lower by Standard & Poor's, A1 or lower by Moody's and A+ or lower by Fitch (or an equivalent of such ratings, as permitted or contemplated by the definition of Rating Agency).

Redemption and Paying Agent means, with respect to any Series, State Street Bank and Trust Company and its successors or any other redemption and paying agent appointed by the Fund with respect to such Series.

Redemption and Paying Agent Agreement means, with respect to any Series, the Redemption and Paying Agent Agreement or other similarly titled agreement by and among the Redemption and Paying Agent for such Series and the Fund with respect to such Series.

Redemption Date shall have the meaning as set forth in Section 2.5(d).

Redemption Default shall have the meaning as set forth in Section 2.2(h)(i).

Redemption Price shall mean the Term Redemption Price, the Mandatory Redemption Price or the Optional Redemption Price, as applicable.

Securities Depository shall mean The Depository Trust Company and its successors and assigns or any other securities depository selected by the Fund that agrees to follow the procedures required to be followed by such securities depository as set forth in this Statement with respect to the MuniFund Term Preferred Shares.

Series shall have the meaning as set forth in the Recitals of this Statement.

Standard & Poor s means Standard & Poor s Ratings Services, a Standard & Poor s Financial Services LLC business, and any successor or successors thereto.

Statement means this Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares, as it may be amended from time to time in accordance with its terms.

Taxable Allocation means, with respect to any Series, the allocation of any net capital gains or other income taxable for federal income tax purposes to a dividend paid in respect of such Series.

Term Redemption Amount shall have the meaning as set forth in Section 2.11(a).

Term Redemption Date means, with respect to any Series, the date specified as the Term Redemption Date in the Appendix for such Series.

Term Redemption Liquidity Account shall have the meaning as set forth in Section 2.11(a).

Term Redemption Price shall have the meaning as set forth in Section 2.5(a).

U.S. Government Obligations means direct obligations of the United States or of its agencies or instrumentalities that are entitled to the full faith and credit of the United States and that, other than United States Treasury Bills, provide for the periodic payment of interest and the full payment of principal at maturity or call for redemption.

Voting Period shall have the meaning as set forth in Section 2.6(b)(i).

With respect to any Series, any additional definitions specifically set forth in the Appendix relating to such Series and any amendments to any definitions specifically set forth in the Appendix relating to such Series, as such Appendix may be amended from time to time, shall be incorporated herein and made part hereof by reference thereto, but only with respect to such Series.

1.2 **Interpretation.** The headings preceding the text of Articles and Sections included in this Statement are for convenience only and shall not be deemed part of this Statement or be given any effect in interpreting this Statement. The use of the masculine, feminine or neuter gender or the singular or plural form of words herein shall not limit any provision of this Statement. The use of the terms including or include shall in all cases herein mean including, without limitation or include, without limitation, respectively. Reference to any Person includes such Person's successors and assigns to the extent such successors and assigns are permitted by the terms of any applicable agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually. Reference to any agreement (including this Statement), document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof and, if applicable, the terms hereof. Except as otherwise expressly set forth herein, reference to any law means such law as amended, modified, codified, replaced or re-enacted, in whole or in part, including rules, regulations, enforcement procedures and any interpretations promulgated thereunder. Underscored references to Articles or Sections shall refer to those portions of this Statement. The use of the terms hereunder, hereof, hereto and words of similar import shall refer to this Statement as a whole and not to any particular Article, Section or clause of this Statement.

TERMS APPLICABLE TO ALL SERIES

OF MUNIFUND TERM PREFERRED SHARES

Except for such changes and amendments hereto with respect to a Series of MuniFund Term Preferred Shares that are specifically contemplated by the Appendix relating to such Series, each Series of MuniFund Term Preferred Shares shall have the following terms:

2.

2.1 **Number of Shares: Ranking.**

(a) The number of authorized shares constituting any Series of MuniFund Term Preferred Shares shall be as set forth with respect to such Series in the Appendix hereto relating to such Series. No fractional MuniFund Term Preferred Shares shall be issued.

(b) The MuniFund Term Preferred Shares of each Series shall rank on a parity with shares of each other Series of MuniFund Term Preferred Shares and with shares of any other series of Preferred Shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund. The MuniFund Term Preferred Shares of each Series shall have preference with respect to the payment of dividends and as to distribution of assets upon dissolution, liquidation or winding up of the affairs of the Fund over the Common Shares as set forth herein.

(c) No Holder of MuniFund Term Preferred Shares shall have, solely by reason of being such a Holder, any preemptive or other right to acquire, purchase or subscribe for any MuniFund Term Preferred Shares or Common Shares or other securities of the Fund which it may hereafter issue or sell.

2.2 Dividends and Distributions.

(a) The Holders of any MuniFund Term Preferred Shares of any Series shall be entitled to receive, when, as and if declared by, or under authority granted by, the Board of Trustees, out of funds legally available therefor and in preference to dividends and distributions on Common Shares, cumulative cash dividends and distributions on each share of such Series, calculated separately for each Dividend Period for such Series at the Dividend Rate in effect from time to time for such Series during such Dividend Period, computed on the basis of a 360- day year consisting of twelve 30-day months, on an amount equal to the Liquidation Preference for a share of such Series, and no more. Dividends and distributions on the MuniFund Term Preferred Shares of any Series shall accumulate from the Date of Original Issue with respect to such Series. Dividends payable on any MuniFund Term Preferred Shares of any Series for any period of less than a full monthly Dividend Period, including in connection with the first Dividend Period for such shares or upon any redemption of such shares on any Redemption Date other than on a Dividend Payment Date, shall be computed on the basis of a 360-day year consisting of twelve 30-day months and the actual number of days elapsed for any period of less than one month.

(b) Dividends on shares of each Series of MuniFund Term Preferred Shares with respect to any Dividend Period shall be declared to the Holders of record of such shares as their names shall appear on the registration books of the Fund at the close of business on the fifteenth (15th) day of the Dividend Period (or if such day is not a Business Day, the next preceding Business Day) and shall be paid as provided in Section 2.2(g) hereof.

(c) So long as MuniFund Term Preferred Shares of a Series are rated on any date AAA by Standard & Poor's, Aaa by Moody's or AAA by Fitch (or an equivalent of such ratings, as permitted or contemplated by the definition of Rating Agency), the Dividend Rate applicable to MuniFund Term Preferred Shares of such Series for such date shall be equal to the Fixed Dividend Rate for such Series. If the highest credit rating assigned on any date to an Outstanding Series of MuniFund Term Preferred Shares by any Rating Agency is equal to one of the ratings set forth in the table below (or its equivalent, as permitted or contemplated by the definition of Rating Agency), the Dividend Rate applicable to the MuniFund Term Preferred Shares of such Series for such date shall be adjusted by multiplying the Fixed Dividend Rate for such Series by the applicable percentage (expressed as a decimal) set forth opposite the applicable highest credit rating so assigned on such date to such Series by such Rating Agency in the table below.

CREDIT RATINGS

| Standard & Poor's | Moody's | Fitch | Applicable Percentage |
|------------------------------|----------------|---------------|------------------------------|
| AA+ to AA- | Aa1 to Aa3 | AA+ to AA- | 110% |
| A+ to A- | A1 to A3 | A+ to A- | 125% |
| BBB+ to BBB- | Baa1 to Baa3 | BBB+ to BBB- | 150% |
| BB+ and lower | Ba1 and lower | BB+ and lower | 200% |

If no Rating Agency is rating an Outstanding Series of MuniFund Term Preferred Shares, the Dividend Rate applicable to the MuniFund Term Preferred Shares of such Series for such date shall be adjusted by multiplying the Fixed Dividend Rate for such Series by 200%.

(d) (i) No full dividends and distributions shall be declared or paid on shares of a Series of MuniFund Term Preferred Shares for any Dividend Period or part thereof unless full cumulative dividends and distributions due through the most recent dividend payment dates therefor for all outstanding Preferred Shares (including shares of other Series of MuniFund Term Preferred Shares) have been or contemporaneously are declared and paid through the most recent dividend payment dates therefor. If full cumulative dividends and distributions due have not been declared and paid on all outstanding Preferred Shares of any series, any dividends and distributions being declared and paid on a Series of MuniFund Term Preferred Shares will be declared and paid as nearly pro rata as possible in proportion to the respective amounts of dividends and distributions accumulated but unpaid on each such series of Preferred Shares on the relevant dividend payment date for such series. No Holders of MuniFund Term Preferred Shares shall be entitled to any dividends and distributions, whether payable in cash, property or shares, in excess of full cumulative dividends and distributions as provided in this Section 2.2(d)(i) on such MuniFund Term Preferred Shares.

(ii) For so long as any MuniFund Term Preferred Shares are Outstanding, the Fund shall not: (x) declare any dividend or other distribution (other than a dividend or distribution paid in Common Shares) in respect of the Common Shares, (y) call for redemption, redeem, purchase or otherwise acquire for consideration any Common Shares, or (z) pay any proceeds of the liquidation of the Fund in respect of the Common Shares, unless, in each case, (A) immediately thereafter, the Fund shall have 1940 Act Asset Coverage after deducting the amount of such dividend or distribution or redemption or purchase price or liquidation proceeds, (B) all cumulative dividends and distributions on all MuniFund Term Preferred Shares and all other Preferred Shares ranking on a parity with the MuniFund Term Preferred Shares due on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition shall have been declared and paid (or shall have been declared and Deposit Securities or sufficient funds (in accordance with the terms of such Preferred Shares) for the payment thereof shall have been deposited irrevocably with the paying agent for such Preferred Shares) and (C) the Fund shall have deposited Deposit Securities pursuant to and in accordance with the requirements of Section 2.5(d)(ii) hereof with respect to Outstanding MuniFund Term Preferred Shares of any Series to be redeemed pursuant to Section 2.5(a) or Section 2.5(b) hereof for which a Notice of Redemption shall have been given or shall have been required to be given in accordance with the terms hereof on or prior to the date of the applicable dividend, distribution, redemption, purchase or acquisition.

(iii) Any dividend payment made on shares of a Series of MuniFund Term Preferred Shares shall first be credited against the dividends and distributions accumulated with respect to the earliest Dividend Period for such Series for which dividends and distributions have not been paid.

(e) Not later than 12:00 noon, New York City time, on the Dividend Payment Date for a Series of MuniFund Term Preferred Shares, the Fund shall deposit with the Redemption and Paying Agent Deposit Securities having an aggregate Market Value on such date sufficient to pay the dividends and distributions that are payable on such Dividend Payment Date in respect of such Series. The Fund may direct the Redemption and Paying Agent with respect to the investment or reinvestment of any such Deposit Securities prior to the Dividend Payment Date, provided that such investment consists exclusively of Deposit Securities and provided further that the proceeds of any such investment will be available as same day funds at the opening of business on such Dividend Payment Date.

(f) All Deposit Securities paid to the Redemption and Paying Agent for the payment of dividends payable on a Series of MuniFund Term Preferred Shares shall be held in trust for the payment of such dividends by the Redemption and Paying Agent for the benefit of the Holders of such Series entitled to the payment of such dividends pursuant to Section 2.2(g). Any moneys paid to the Redemption and Paying Agent in accordance with the foregoing but not applied by the Redemption and Paying Agent to the payment of dividends, including interest earned on such moneys while so held, will, to the extent permitted by law, be repaid to the Fund as soon as possible after the date on which such moneys were to have been so applied, upon request of the Fund.

(g) Dividends on shares of a Series of MuniFund Term Preferred Shares shall be paid on each Dividend Payment Date for such Series to the Holders of shares of such Series as their names appear on the registration books of the Fund at the close of business on the fifteenth (15th) day of the Dividend Period to which such Dividend Payment Date relates (or if such day is not a Business Day, the next preceding Business Day). Dividends in arrears on shares of a Series of MuniFund Term Preferred Shares for any past Dividend Period may be declared and paid at any time, without reference to any regular Dividend Payment Date, to the Holders of shares of such Series as their names appear on the registration books of the Fund on such date, not exceeding fifteen (15) calendar days preceding the payment date thereof, as may be fixed by the Board of Trustees. No interest or sum of money in lieu of interest will be payable in respect of any dividend payment or payments on shares of any Series of MuniFund Term Preferred Shares which may be in arrears.

(h) (i) The Dividend Rate on a Series of MuniFund Term Preferred Shares shall be adjusted to the Default Rate (as defined below) in the following circumstances. Subject to the cure provisions below, a Default Period with respect to a Series of MuniFund Term Preferred Shares shall commence on any date the Fund fails to deposit with the Redemption and Paying Agent by 12:00 noon, New York City time, on (A) a Dividend Payment Date for such Series, Deposit Securities that will provide funds available to the Redemption and Paying Agent on such Dividend Payment Date sufficient to pay the full amount of any dividend on such Series payable on such Dividend Payment Date (a Dividend Default) or (B) an applicable Redemption Date for such Series, Deposit Securities that will provide funds available to the Redemption and Paying Agent on such Redemption Date sufficient to pay the full amount of the Redemption Price payable in respect of such Series on such Redemption Date (a Redemption Default and together with a Dividend Default, hereinafter referred to as Default). Subject to the cure provisions of Section 2.2(h)(ii) below, a Default Period with respect to a Dividend Default or a Redemption Default on a Series of MuniFund Term Preferred Shares shall end on the Business Day on which, by 12:00 noon, New York City time, an amount equal to all unpaid dividends on such Series and any unpaid Redemption Price on such Series shall have been deposited irrevocably in trust in same-day funds with the Redemption and Paying Agent. In the case of any Default on a Series of MuniFund Term Preferred Shares, the Dividend Rate for such Series for each calendar day during the Default Period will be equal to the Default Rate. The Default Rate on a Series of MuniFund Term Preferred Shares for any calendar day shall be equal to the Dividend Rate in effect on such day for such Series plus five percent (5%) per annum.

(ii) No Default Period for a Series of MuniFund Term Preferred Shares with respect to any Default on such Series shall be deemed to commence if the amount of any dividend or any Redemption Price due in respect of such Series (if such Default is not solely due to the willful failure of the Fund) is deposited irrevocably in trust, in same-day funds, with the Redemption and Paying Agent by 12:00 noon, New York City time, on a Business Day that is not later than three (3) Business Days after the applicable Dividend Payment Date or Redemption Date for such Series

with respect to which such Default occurred, together with an amount equal to the Default Rate on such Series applied to the amount and period of such non-payment on such Series, based on the actual number of calendar days comprising such period divided by 360.

2.3 Liquidation Rights.

(a) In the event of any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the Holders of MuniFund Term Preferred Shares shall be entitled to receive out of the assets of the Fund available for distribution to shareholders, after satisfying claims of creditors but before any distribution or payment shall be made in respect of the Common Shares, a liquidation distribution equal to the Liquidation Preference for such shares, plus an amount equal to all unpaid dividends and distributions on such shares accumulated to (but excluding) the date fixed for such distribution or payment on such shares (whether or not earned or declared by the Fund, but excluding interest thereon), and such Holders shall be entitled to no further participation in any distribution or payment in connection with any such liquidation, dissolution or winding up.

(b) If upon any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, the assets of the Fund available for distribution among the Holders of all Outstanding MuniFund Term Preferred Shares and any other outstanding Preferred Shares shall be insufficient to permit the payment in full to such Holders of the Liquidation Preference of such MuniFund Term Preferred Shares plus accumulated and unpaid dividends and distributions on such shares as provided in Section 2.3(a) above and the amounts due upon liquidation with respect to such other Preferred Shares, then such available assets shall be distributed among the Holders of such MuniFund Term Preferred Shares and such other Preferred Shares ratably in proportion to the respective preferential liquidation amounts to which they are entitled. In connection with any liquidation, dissolution or winding up of the affairs of the Fund, whether voluntary or involuntary, unless and until the Liquidation Preference on each Outstanding MuniFund Term Preferred Share plus accumulated and unpaid dividends and distributions on such shares as provided in Section 2.3(a) above have been paid in full to the Holders of such shares, no dividends, distributions or other payments will be made on, and no redemption, purchase or other acquisition by the Fund will be made by the Fund in respect of, the Common Shares.

(c) Neither the sale of all or substantially all of the property or business of the Fund, nor the merger, consolidation or reorganization of the Fund into or with any other business or statutory trust, corporation or other entity, nor the merger, consolidation or reorganization of any other business or statutory trust, corporation or other entity into or with the Fund shall be a dissolution, liquidation or winding up, whether voluntary or involuntary, for the purpose of this Section 2.3.

2.4 Coverage & Leverage Tests.

(a) Asset Coverage Requirement. For so long as any shares of a Series of MuniFund Term Preferred Shares are Outstanding, the Fund shall have Asset Coverage of at least 225% as of the close of business on each Business Day. If the Fund shall fail to maintain such Asset Coverage as of any time as of which such compliance is required to be determined as aforesaid, the provisions of Section 2.5(b)(i) shall be applicable, which provisions shall constitute the sole remedy for the Fund's failure to comply with the provisions of this Section 2.4(a).

(b) Calculation of Asset Coverage. For purposes of determining whether the requirements of Section 2.4(a) are satisfied, (i) no MuniFund Term Preferred Shares of any Series or

other Preferred Shares shall be deemed to be Outstanding for purposes of any computation required by Section 2.4(a) if, prior to or concurrently with such determination, either (x) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such Series or other Preferred Shares) to pay the full redemption price for such Series or other Preferred Shares (or the portion thereof to be redeemed) shall have been deposited in trust with the paying agent for such Series or other Preferred Shares and the requisite notice of redemption for such Series or other Preferred Shares (or the portion thereof to be redeemed) shall have been given or (y) sufficient Deposit Securities or other sufficient funds (in accordance with the terms of such Series or other Preferred Shares) to pay the full redemption price for such Series or other Preferred Shares (or the portion thereof to be redeemed) shall have been segregated by the Custodian and the Fund from the assets of the Fund in the same manner and to the same extent as is contemplated by Section 2.11 with respect to the Liquidity Requirement, and (ii) the Deposit Securities or other sufficient funds that shall have been deposited with the applicable paying agent and/or segregated by the Custodian, as applicable, as provided in clause (i) of this sentence shall not be included as assets of the Fund for purposes of such computation.

(c) Effective Leverage Ratio Requirement. For so long as any MuniFund Term Preferred Shares of a Series are Outstanding, the Effective Leverage Ratio shall not exceed 50% as of the close of business on any Business Day. If the Effective Leverage Ratio shall exceed such percentage as of any time as of which such compliance is required to be determined as aforesaid, the provisions of Section 2.5(b)(ii) shall be applicable, which provisions shall constitute the sole remedy for the Fund's failure to comply with the provisions of this Section 2.4(c).

(d) Calculation of Effective Leverage Ratio. For purposes of determining whether the requirements of Section 2.4(c) are satisfied, the Effective Leverage Ratio on any date shall mean the quotient of

(i) The sum of (A) the aggregate liquidation preference of the Fund's senior securities (as that term is defined in the 1940 Act) that are stock for purposes of the 1940 Act, excluding, without duplication, (1) any such senior securities for which the Fund has issued a notice of redemption and either has delivered Deposit Securities or sufficient funds (in accordance with the terms of such senior securities) to the paying agent for such senior securities or otherwise has adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption and (2) any such senior securities that are to be redeemed with net proceeds from the sale of the MuniFund Term Preferred Shares, for which the Fund has delivered Deposit Securities or sufficient funds (in accordance with the terms of such senior securities) to the paying agent for such senior securities or otherwise has adequate Deposit Securities or sufficient funds on hand for the purpose of such redemption; (B) the aggregate principal amount of the Fund's senior securities representing indebtedness (as that term is defined in the 1940 Act); and (C) the aggregate principal amount of floating rate securities not owned by the Fund that correspond to the associated inverse floating rate securities owned by the Fund; divided by

(ii) The sum of (A) the market value (determined in accordance with the Fund's valuation procedures) of the Fund's total assets (including amounts attributable to senior securities), less the amount of the Fund's accrued liabilities (other than liabilities for the aggregate principal amount of senior securities representing indebtedness, including floating rate securities), and (B) the aggregate principal amount of floating rate securities not owned by the Fund that correspond to the associated inverse floating rate securities owned by the Fund.

2.5 Redemption. Each Series of MuniFund Term Preferred Shares shall be subject to redemption by the Fund as provided below:

(a) Term Redemption. The Fund shall redeem all shares of a Series of MuniFund Term Preferred Shares on the Term Redemption Date for such Series, at a price per share equal to the Liquidation Preference per share of such Series plus an amount equal to all unpaid dividends and distributions on such share of such Series accumulated to (but excluding) the Term Redemption Date for such Series (whether or not earned or declared by the Fund, but excluding interest thereon) (the Term Redemption Price).

(b) Asset Coverage and Effective Leverage Ratio Mandatory Redemption.

(i) Asset Coverage Mandatory Redemption. (A) If the Fund fails to comply with the Asset Coverage requirement as provided in Section 2.4(a) as of any time as of which such compliance is required to be determined in accordance with Section 2.4(a) and such failure is not cured as of the Asset Coverage Cure Date, the Fund shall, to the extent permitted by the 1940 Act and Massachusetts law, by the close of business on such Asset Coverage Cure Date, fix a redemption date and proceed to redeem in accordance with the terms of such Preferred Shares, a sufficient number of Preferred Shares, which at the Fund's sole option (to the extent permitted by the 1940 Act and Massachusetts law) may include any number or proportion of MuniFund Term Preferred Shares of any Series, to enable it to meet the requirements of Section 2.5(b)(i)(B). In the event that any shares of a Series of MuniFund Term Preferred Shares then Outstanding are to be redeemed pursuant to this Section 2.5(b)(i), the Fund shall redeem such shares at a price per share equal to the Liquidation Preference per share of such Series plus an amount equal to all unpaid dividends and distributions on such share of such Series accumulated to (but excluding) the date fixed for such redemption by the Board of Trustees (whether or not earned or declared by the Fund, but excluding interest thereon) (the Mandatory Redemption Price).

(B) On the Redemption Date for a redemption contemplated by Section 2.5(b)(i)(A), the Fund shall redeem, out of funds legally available therefor, such number of Preferred Shares (which may include at the sole option of the Fund any number or proportion of MuniFund Term Preferred Shares of any Series) as shall be equal to the lesser of (x) the minimum number of Preferred Shares, the redemption of which, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, would result in the Fund having Asset Coverage on such Asset Coverage Cure Date of at least 230% (provided, however, that if there is no such minimum number of MuniFund Term Preferred Shares and other Preferred Shares then outstanding shall be redeemed), and (y) the maximum number of Preferred Shares that can be redeemed out of funds expected to be legally available therefor in accordance with the Declaration and applicable law. Notwithstanding the foregoing, in the event that Preferred Shares are redeemed pursuant to this Section 2.5(b)(i), the Fund may at its sole option, but is not required to, redeem a sufficient number of shares of any Series of MuniFund Term Preferred Shares pursuant to this Section 2.5(b)(i) that, when aggregated with other Preferred Shares redeemed by the Fund, would result, if deemed to have occurred immediately prior to the opening of business on the Asset Coverage Cure Date, in the Fund having Asset Coverage on such Asset Coverage Cure Date of up to and including

285%. The Fund shall effect such redemption on the date fixed by the Fund therefor, which date shall not be later than thirty (30) calendar days after such Asset Coverage Cure Date, except that if the Fund does not have funds legally available for the redemption of all of the required number of MuniFund Term Preferred Shares and other Preferred Shares which have been designated to be redeemed or the Fund otherwise is unable to effect such redemption on or prior to thirty (30) calendar days after such Asset Coverage Cure Date, the Fund shall redeem those MuniFund Term Preferred Shares and other Preferred Shares which it was unable to redeem on the earliest practicable date on which it is able to effect such redemption. If fewer than all of the Outstanding MuniFund Term Preferred Shares of a Series are to be redeemed pursuant to this Section 2.5(b)(i), the number of MuniFund Term Preferred Shares of such Series to be redeemed shall be redeemed (A) pro rata among the Outstanding shares of such Series, (B) by lot or (C) in such other manner as the Board of Trustees may determine to be fair and equitable.

(ii) Effective Leverage Ratio Mandatory Redemption. (A) If the Fund fails to comply with the Effective Leverage Ratio requirement as provided in Section 2.4(c) as of any time as of which such compliance is required to be determined in accordance with Section 2.4(c) and such failure is not cured as of the close of business on the date that is thirty (30) calendar days following such Business Day (the Effective Leverage Ratio Cure Date), the Fund shall within thirty (30) calendar days following the Effective Leverage Ratio Cure Date cause the Effective Leverage Ratio to not exceed 50% by (x) engaging in transactions involving or relating to the floating rate securities not owned by the Fund and/or the inverse floating rate securities owned by the Fund, including the purchase, sale or retirement thereof, (y) to the extent permitted by the 1940 Act and Massachusetts law, redeeming in accordance with the Declaration a sufficient number of Preferred Shares, which at the Fund's sole option (to the extent permitted by the 1940 Act and Massachusetts law) may include any number or proportion of MuniFund Term Preferred Shares of any Series, or (z) engaging in any combination of the actions contemplated by clauses (x) and (y) of this Section 2.5(b)(ii)(A). In the event that any MuniFund Term Preferred Shares of a Series are to be redeemed pursuant to clause (y) of this Section 2.5(b)(ii)(A), the Fund shall redeem such MuniFund Term Preferred Shares at a price per MuniFund Term Preferred Share equal to the Mandatory Redemption Price.

(B) On the Redemption Date for a redemption contemplated by clause (y) of Section 2.5(b)(ii)(A), the Fund shall not redeem more than the maximum number of Preferred Shares that can be redeemed out of funds expected to be legally available therefor in accordance with the Declaration and applicable law. If the Fund is unable to redeem the required number of MuniFund Term Preferred Shares and other Preferred Shares which have been designated to be redeemed in accordance with clause (y) of Section 2.5(b)(ii)(A) due to the unavailability of legally available funds, the Fund shall redeem those MuniFund Term Preferred Shares and other Preferred Shares which it was unable to redeem on the earliest practicable date on which it is able to effect such redemption. If fewer than all of the Outstanding MuniFund Term Preferred Shares of a Series are to be redeemed pursuant to clause (y) of Section 2.5(b)(ii)(A), the number of MuniFund Term Preferred Shares of such Series to be redeemed shall be redeemed (A) pro rata among the Outstanding shares of such Series, (B) by lot or (C) in such other manner as the Board of Trustees may determine to be fair and equitable.

(c) Optional Redemption.

(i) Subject to the provisions of Section 2.5(c)(ii), (A) on any Business Day following the expiration of the Non-Call Period for a Series of MuniFund Term Preferred Shares or (B) on any Business Day during a Rating Downgrade Period for a Series of MuniFund Term Preferred Shares, including a Business Day during the Non-Call Period for such Series (any Business Day referred to in clause (A) or (B) of this sentence, an Optional Redemption Date), the Fund may redeem in whole or from time to time in part the Outstanding MuniFund Term Preferred Shares of such Series, at a redemption price per MuniFund Term Preferred Share (the Optional Redemption Price) equal to (x) the Liquidation Preference per MuniFund Term Preferred Share of such Series plus (y) an amount equal to all unpaid dividends and distributions on such MuniFund Term Preferred Share of such Series accumulated to (but excluding) the Optional Redemption Date (whether or not earned or declared by the Fund, but excluding interest thereon) plus (z) the Optional Redemption Premium per share (if any) with respect to an optional redemption of MuniFund Term Preferred Shares of such Series that is effected on such Optional Redemption Date.

(ii) If fewer than all of the outstanding shares of a Series of MuniFund Term Preferred Shares are to be redeemed pursuant to Section 2.5(c)(i), the shares of such Series to be redeemed shall be selected either (A) pro rata among such Series, (B) by lot or (C) in such other manner as the Board of Trustees may determine to be fair and equitable. Subject to the provisions of this Statement and applicable law, the Board of Trustees will have the full power and authority to prescribe the terms and conditions upon which MuniFund Term Preferred Shares will be redeemed pursuant to this Section 2.5(c) from time to time.

(iii) The Fund may not on any date deliver a Notice of Redemption pursuant to Section 2.5(d) in respect of a redemption contemplated to be effected pursuant to this Section 2.5(c) unless on such date the Fund has available Deposit Securities for the Optional Redemption Date contemplated by such Notice of Redemption having a Market Value not less than the amount (including any applicable premium) due to Holders of MuniFund Term Preferred Shares by reason of the redemption of such MuniFund Term Preferred Shares on such Optional Redemption Date.

(d) Procedures for Redemption.

(i) If the Fund shall determine or be required to redeem, in whole or in part, MuniFund Term Preferred Shares of a Series pursuant to Section 2.5(a), (b) or (c), the Fund shall deliver a notice of redemption (the Notice of Redemption), by overnight delivery, by first class mail, postage prepaid or by Electronic Means to Holders thereof, or request the Redemption and Paying Agent, on behalf of the Fund, to promptly do so by overnight delivery, by first class mail, postage prepaid or by Electronic Means. A Notice of Redemption shall be provided not more than forty-five (45) calendar days prior to the date fixed for redemption in such Notice of Redemption (the Redemption Date). Each such Notice of Redemption shall state: (A) the Redemption Date; (B) the Series and number of MuniFund Term Preferred Shares to be redeemed; (C) the CUSIP number for MuniFund Term Preferred Shares of such Series; (D) the applicable Redemption Price on a per share basis; (E) if applicable, the place or places where the certificate(s) for such shares (properly endorsed or assigned for transfer, if the Board of Trustees requires and the Notice of Redemption states) are to be surrendered for payment of the Redemption Price; (F) that dividends on the MuniFund Term Preferred Shares to be redeemed will cease to accumulate from and after such Redemption Date; and (G) the provisions of this Statement under which such redemption is made. If fewer than all MuniFund

Term Preferred Shares held by any Holder are to be redeemed, the Notice of Redemption delivered to such Holder shall also specify the number of MuniFund Term Preferred Shares to be redeemed from such Holder or the method of determining such number. The Fund may provide in any Notice of Redemption relating to a redemption contemplated to be effected pursuant to this Statement that such redemption is subject to one or more conditions precedent and that the Fund shall not be required to effect such redemption unless each such condition has been satisfied at the time or times and in the manner specified in such Notice of Redemption. No defect in the Notice of Redemption or delivery thereof shall affect the validity of redemption proceedings, except as required by applicable law.

(ii) If the Fund shall give a Notice of Redemption, then at any time from and after the giving of such Notice of Redemption and prior to 12:00 noon, New York City time, on the Redemption Date (so long as any conditions precedent to such redemption have been met or waived by the Fund), the Fund shall (A) deposit with the Redemption and Paying Agent Deposit Securities having an aggregate Market Value on the date thereof no less than the Redemption Price of the MuniFund Term Preferred Shares to be redeemed on the Redemption Date and (B) give the Redemption and Paying Agent irrevocable instructions and authority to pay the applicable Redemption Price to the Holders of the MuniFund Term Preferred Shares called for redemption on the Redemption Date. The Fund may direct the Redemption and Paying Agent with respect to the investment of any Deposit Securities consisting of cash so deposited prior to the Redemption Date, provided that the proceeds of any such investment shall be available at the opening of business on the Redemption Date as same day funds. Notwithstanding the provisions of clause (A) of the preceding sentence, if the Redemption Date is the Term Redemption Date, then such deposit of Deposit Securities (which may come in whole or in part from the Term Redemption Liquidity Account) shall be made no later than fifteen (15) calendar days prior to the Term Redemption Date.

(iii) Upon the date of the deposit of such Deposit Securities, all rights of the Holders of the MuniFund Term Preferred Shares so called for redemption shall cease and terminate except the right of the Holders thereof to receive the Redemption Price thereof and such MuniFund Term Preferred Shares shall no longer be deemed Outstanding for any purpose whatsoever (other than (A) the transfer thereof prior to the applicable Redemption Date and (B) the accumulation of dividends thereon in accordance with the terms hereof up to (but excluding) the applicable Redemption Date, which accumulated dividends, unless previously declared and paid as contemplated by the last sentence of Section 2.5(d)(vi) below, shall be payable only as part of the applicable Redemption Price on the Redemption Date). The Fund shall be entitled to receive, promptly after the Redemption Date, any Deposit Securities in excess of the aggregate Redemption Price of the MuniFund Term Preferred Shares called for redemption on the Redemption Date. Any Deposit Securities so deposited that are unclaimed at the end of ninety (90) calendar days from the Redemption Date shall, to the extent permitted by law, be repaid to the Fund, after which the Holders of the MuniFund Term Preferred Shares so called for redemption shall look only to the Fund for payment of the Redemption Price thereof. The Fund shall be entitled to receive, from time to time after the Redemption Date, any interest on the Deposit Securities so deposited.

(iv) On or after the Redemption Date, each Holder of MuniFund Term Preferred Shares in certificated form (if any) that are subject to redemption shall surrender the certificate(s) evidencing such MuniFund Term Preferred Shares to the Fund at the place designated in the Notice of Redemption and shall then be entitled to receive the Redemption Price for such MuniFund Term Preferred Shares, without interest, and in the case of a redemption of fewer than all

the MuniFund Term Preferred Shares represented by such certificate(s), a new certificate representing the MuniFund Term Preferred Shares that were not redeemed.

(v) Notwithstanding the other provisions of this Section 2.5, except as otherwise required by law, the Fund shall not redeem any MuniFund Term Preferred Shares unless all accumulated and unpaid dividends and distributions on all Outstanding MuniFund Term Preferred Shares and other series of Preferred Shares ranking on a parity with the MuniFund Term Preferred Shares with respect to dividends and distributions for all applicable past dividend periods (whether or not earned or declared by the Fund) (x) shall have been or are contemporaneously paid or (y) shall have been or are contemporaneously declared and Deposit Securities or sufficient funds (in accordance with the terms of such Preferred Shares) for the payment of such dividends and distributions shall have been or are contemporaneously deposited with the Redemption and Paying Agent or other applicable paying agent for such Preferred Shares in accordance with the terms of such Preferred Shares, provided, however, that the foregoing shall not prevent the purchase or acquisition of Outstanding MuniFund Term Preferred Shares pursuant to an otherwise lawful purchase or exchange offer made on the same terms to Holders of all Outstanding MuniFund Term Preferred Shares and any other series of Preferred Shares for which all accumulated and unpaid dividends and distributions have not been paid.

(vi) To the extent that any redemption for which Notice of Redemption has been provided is not made by reason of the absence of legally available funds therefor in accordance with the Declaration and applicable law, such redemption shall be made as soon as practicable to the extent such funds become available. No Redemption Default shall be deemed to have occurred if the Fund shall fail to deposit in trust with the Redemption and Paying Agent the Redemption Price with respect to any shares where (1) the Notice of Redemption relating to such redemption provided that such redemption was subject to one or more conditions precedent and (2) any such condition precedent shall not have been satisfied at the time or times and in the manner specified in such Notice of Redemption. Notwithstanding the fact that a Notice of Redemption has been provided with respect to any MuniFund Term Preferred Shares, dividends may be declared and paid on such MuniFund Term Preferred Shares in accordance with their terms if Deposit Securities for the payment of the Redemption Price of such MuniFund Term Preferred Shares shall not have been deposited in trust with the Redemption and Paying Agent for that purpose.

(e) Redemption and Paying Agent as Trustee of Redemption Payments by Fund. All Deposit Securities transferred to the Redemption and Paying Agent for payment of the Redemption Price of MuniFund Term Preferred Shares called for redemption shall be held in trust by the Redemption and Paying Agent for the benefit of Holders of MuniFund Term Preferred Shares so to be redeemed until paid to such Holders in accordance with the terms hereof or returned to the Fund in accordance with the provisions of Section 2.5(d)(iii) above.

(f) Compliance With Applicable Law. In effecting any redemption pursuant to this Section 2.5, the Fund shall use its best efforts to comply with all applicable conditions precedent to effecting such redemption under the 1940 Act and any applicable Massachusetts law, but shall effect no redemption except in accordance with the 1940 Act and any applicable Massachusetts law.

(g) Modification of Redemption Procedures. Notwithstanding the foregoing provisions of this Section 2.5, the Fund may, in its sole discretion and without a shareholder vote, modify the procedures set forth above with respect to notification of redemption for the MuniFund Term Preferred Shares, provided that such modification does not materially and adversely affect the

MuniFund Term Preferred Shares or cause the Fund to violate any applicable law, rule or regulation; and provided further that no such modification shall in any way alter the rights or obligations of the Redemption and Paying Agent without its prior consent.

2.6 Voting Rights.

(a) One Vote Per MuniFund Term Preferred Share. Except as otherwise provided in the Declaration or as otherwise required by law, (i) each Holder of MuniFund Term Preferred Shares shall be entitled to one vote for each MuniFund Term Preferred Share held by such Holder on each matter submitted to a vote of shareholders of the Fund, and (ii) the holders of outstanding Preferred Shares, including Outstanding MuniFund Term Preferred Shares, and of Common Shares shall vote together as a single class; provided, however, that the holders of outstanding Preferred Shares, including Outstanding MuniFund Term Preferred Shares, shall be entitled, as a class, to the exclusion of the Holders of all other securities and Common Shares of the Fund, to elect two trustees of the Fund at all times. Subject to Section 2.6(b), the Holders of outstanding Common Shares and Preferred Shares, including MuniFund Term Preferred Shares, voting together as a single class, shall elect the balance of the trustees.

(b) Voting For Additional Trustees.

(i) Voting Period. During any period in which any one or more of the conditions described in clauses (A) or (B) of this Section 2.6(b)(i) shall exist (such period being referred to herein as a Voting Period), the number of trustees constituting the Board of Trustees shall be automatically increased by the smallest number that, when added to the two trustees elected exclusively by the Holders of Preferred Shares, including MuniFund Term Preferred Shares, would constitute a majority of the Board of Trustees as so increased by such smallest number; and the Holders of Preferred Shares, including MuniFund Term Preferred Shares, shall be entitled, voting as a class on a one-vote-per-share basis (to the exclusion of the Holders of all other securities and classes of capital stock of the Fund), to elect such smallest number of additional trustees, together with the two trustees that such Holders are in any event entitled to elect. A Voting Period shall commence:

(A) if, at the close of business on any dividend payment date for any outstanding Preferred Share including any Outstanding MuniFund Term Preferred Share, accumulated dividends (whether or not earned or declared) on such outstanding share of Preferred Shares equal to at least two (2) full years' dividends shall be due and unpaid and sufficient cash or specified securities shall not have been deposited with the Redemption and Paying Agent or other applicable paying agent for the payment of such accumulated dividends; or

(B) if at any time Holders of Preferred Shares are otherwise entitled under the 1940 Act to elect a majority of the Board of Trustees.

Upon the termination of a Voting Period, the voting rights described in this Section 2.6(b)(i) shall cease, subject always, however, to the reversion of such voting rights in the Holders of Preferred Shares upon the further occurrence of any of the events described in this Section 2.6(b)(i).

(ii) Notice of Special Meeting. As soon as practicable after the accrual of any right of the Holders of Preferred Shares to elect additional trustees as described in Section 2.6(b)(i), the Fund shall call a special meeting of such Holders and notify the Redemption and Paying Agent and/or such other Person as is specified in the terms of such Preferred Shares to receive

notice (i) by mailing or delivery by Electronic Means or (ii) in such other manner and by such other means as are specified in the terms of such Preferred Shares, a notice of such special meeting to such Holders, such meeting to be held not less than ten (10) nor more than thirty (30) calendar days after the date of the delivery by Electronic Means or mailing of such notice. If the Fund fails to call such a special meeting, it may be called at the expense of the Fund by any such Holder on like notice. The record date for determining the Holders of Preferred Shares entitled to notice of and to vote at such special meeting shall be the close of business on the fifth (5th) Business Day preceding the calendar day on which such notice is mailed. At any such special meeting and at each meeting of Holders of Preferred Shares held during a Voting Period at which trustees are to be elected, such Holders, voting together as a class (to the exclusion of the Holders of all other securities and classes of capital stock of the Fund), shall be entitled to elect the number of trustees prescribed in Section 2.6(b)(i) on a one-vote-per-share basis.

(iii) Terms of Office of Existing Trustees. The terms of office of the incumbent trustees of the Fund at the time of a special meeting of Holders of the Preferred Shares to elect additional trustees in accordance with Section 2.6(b)(i) shall not be affected by the election at such meeting by the Holders of MuniFund Term Preferred Shares and such other Holders of Preferred Shares of the number of trustees that they are entitled to elect, and the trustees so elected by the Holders of MuniFund Term Preferred Shares and such other Holders of Preferred Shares, together with the two (2) trustees elected by the Holders of Preferred Shares in accordance with Section 2.6(a) hereof and the remaining trustees elected by the holders of the Common Shares and Preferred Shares, shall constitute the duly elected trustees of the Fund.

(iv) Terms of Office of Certain Trustees to Terminate Upon Termination of Voting Period. Simultaneously with the termination of a Voting Period, the terms of office of the additional trustees elected by the Holders of the Preferred Shares pursuant to Section 2.6(b)(i) shall terminate, the remaining trustees shall constitute the trustees of the Fund and the voting rights of the Holders of Preferred Shares to elect additional trustees pursuant to Section 2.6(b)(i) shall cease, subject to the provisions of the last sentence of Section 2.6(b)(i).

(c) Holders of MuniFund Term Preferred Shares to Vote on Certain Matters.

(i) Certain Amendments Requiring Approval of MuniFund Term Preferred Shares. Except as otherwise permitted by the terms of this Statement, so long as any MuniFund Term Preferred Shares are Outstanding, the Fund shall not, without the affirmative vote or consent of the Holders of at least a majority of the MuniFund Term Preferred Shares of all Series Outstanding at the time, voting together as a separate class, amend, alter or repeal the provisions of the Declaration, or this Statement, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power of such MuniFund Term Preferred Shares or the Holders thereof; provided, however, that (i) a change in the capitalization of the Fund in accordance with Section 2.8 hereof shall not be considered to materially and adversely affect the rights and preferences of the MuniFund Term Preferred Shares, and (ii) a division of a MuniFund Term Preferred Share shall be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the Holders of the MuniFund Term Preferred Shares. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of a MuniFund Term Preferred Share of such Series or the Holder thereof unless such matter (i) alters or abolishes any preferential right of such MuniFund Term Preferred Share, or (ii) creates, alters or abolishes any right in respect of redemption of such MuniFund Term Preferred Share (other than as a result of a division

of a MuniFund Term Preferred Share). So long as any MuniFund Term Preferred Shares are Outstanding, the Fund shall not, without the affirmative vote or consent of at least 66 2/3% of the Holders of the MuniFund Term Preferred Shares Outstanding at the time, voting as a separate class, file a voluntary application for relief under Federal bankruptcy law or any similar application under state law for so long as the Fund is solvent and does not foresee becoming insolvent.

(ii) 1940 Act Matters. Unless a higher percentage is provided for in the Declaration, the affirmative vote of the Holders of at least a majority of the outstanding Preferred Shares, including MuniFund Term Preferred Shares Outstanding at the time, voting as a separate class, shall be required (A) to approve any conversion of the Fund from a closed-end to an open-end investment company, (B) to approve any plan of reorganization (as such term is used in the 1940 Act) adversely affecting such shares, or (C) to approve any other action requiring a vote of security holders of the Fund under Section 13(a) of the 1940 Act. For purposes of the foregoing, the vote of a majority of the outstanding Preferred Shares means the vote at an annual or special meeting duly called of (i) sixty-seven percent (67%) or more of such shares present at a meeting, if the Holders of more than fifty percent (50%) of such shares are present or represented by proxy at such meeting, or (ii) more than fifty percent (50%) of such shares, whichever is less.

(iii) Certain Amendments Requiring Approval of Specific Series of MuniFund Term Preferred Shares. Except as otherwise permitted by the terms of this Statement, so long as any MuniFund Term Preferred Shares of a Series are Outstanding, the Fund shall not, without the affirmative vote or consent of the Holders of at least a majority of the MuniFund Term Preferred Shares of such Series, Outstanding at the time, voting as a separate class, amend, alter or repeal the provisions of the Appendix relating to such Series, whether by merger, consolidation or otherwise, so as to materially and adversely affect any preference, right or power set forth in such Appendix of the MuniFund Term Preferred Shares of such Series or the Holders thereof; provided, however, that (i) a change in the capitalization of the Fund in accordance with Section 2.8 hereof shall not be considered to materially and adversely affect the rights and preferences of the MuniFund Term Preferred Shares of such Series, and (ii) a division of a MuniFund Term Preferred Share shall be deemed to affect such preferences, rights or powers only if the terms of such division materially and adversely affect the Holders of the MuniFund Term Preferred Shares of such Series; and provided, further, that no amendment, alteration or repeal of the obligation of the Fund to (x) pay the Term Redemption Price on the Term Redemption Date for a Series, or (y) accumulate dividends at the Dividend Rate (as set forth in this Statement and the applicable Appendix hereto) for a Series shall be effected without, in each case, the prior unanimous vote or consent of the Holders of such Series of MuniFund Term Preferred Shares. For purposes of the foregoing, no matter shall be deemed to adversely affect any preference, right or power of a MuniFund Term Preferred Share of a Series or the Holder thereof unless such matter (i) alters or abolishes any preferential right of such MuniFund Term Preferred Share, or (ii) creates, alters or abolishes any right in respect of redemption of such MuniFund Term Preferred Share.

(d) Voting Rights Set Forth Herein Are Sole Voting Rights. Unless otherwise required by law or the Declaration, the Holders of MuniFund Term Preferred Shares shall not have any relative rights or preferences or other special rights with respect to voting other than those specifically set forth in this Section 2.6.

(e) No Cumulative Voting. The Holders of MuniFund Term Preferred Shares shall have no rights to cumulative voting.

(f) Voting for Trustees Sole Remedy for Fund's Failure to Declare or Pay Dividends. In the event that the Fund fails to declare or pay any dividends on any Series of MuniFund Term Preferred Shares on the Dividend Payment Date therefor, the exclusive remedy of the Holders of the MuniFund Term Preferred Shares shall be the right to vote for trustees pursuant to the provisions of this Section 2.6. Nothing in this Section 2.6(f) shall be deemed to affect the obligation of the Fund to accumulate and, if permitted by applicable law, the Declaration and this Statement, pay dividends at the Default Rate in the circumstances contemplated by Section 2.2(h) hereof.

(g) Holders Entitled to Vote. For purposes of determining any rights of the Holders of MuniFund Term Preferred Shares to vote on any matter; whether such right is created by this Statement, by the Declaration, by statute or otherwise, no Holder of MuniFund Term Preferred Shares shall be entitled to vote any MuniFund Term Preferred Share and no MuniFund Term Preferred Share shall be deemed to be Outstanding for the purpose of voting or determining the number of shares required to constitute a quorum if, prior to or concurrently with the time of determination of shares entitled to vote or the time of the actual vote on the matter, as the case may be, the requisite Notice of Redemption with respect to such MuniFund Term Preferred Share shall have been given in accordance with this Statement and Deposit Securities for the payment of the Redemption Price of such MuniFund Term Preferred Share shall have been deposited in trust with the Redemption and Paying Agent for that purpose. No MuniFund Term Preferred Share held by the Fund shall have any voting rights or be deemed to be outstanding for voting or for calculating the voting percentage required on any other matter or other purposes.

2.7 Rating Agency. The Fund shall use commercially reasonable efforts to cause at least one Rating Agency to issue a credit rating with respect to each Series of MuniFund Term Preferred Shares for so long as such Series is Outstanding (which credit rating may consist of a credit rating on the MuniFund Term Preferred Shares generally or the Preferred Shares generally). The Fund shall use commercially reasonable efforts to comply with any applicable Rating Agency Guidelines. The Board of Trustees may elect to terminate the designation as a Rating Agency of any Rating Agency previously designated by the Board of Trustees to act as a Rating Agency for purposes hereof (provided that at least one Rating Agency continues to maintain a rating with respect to the MuniFund Term Preferred Shares), and may elect to replace any Rating Agency previously designated as a Rating Agency by the Board of Trustees with any other NRSRO permitted to act as Rating Agency as contemplated by the definition of Rating Agency and not so designated as a Rating Agency at such time, provided that such replacement shall not occur unless such replacement Rating Agency shall have at the time of such replacement (i) published a rating for the MuniFund Term Preferred Shares of such Series and (ii) entered into an agreement with the Fund to continue to publish such rating subject to the Rating Agency's customary conditions. The Rating Agency Guidelines of any Rating Agency may be amended by such Rating Agency without the vote, consent or approval of the Fund, the Board of Trustees or any Holder of Preferred Shares, including any MuniFund Term Preferred Shares, or Common Shares.

2.8 Issuance of Additional Preferred Shares. So long as any MuniFund Term Preferred Shares are Outstanding, the Fund may, without the vote or consent of the Holders thereof, authorize, establish and create and issue and sell shares of one or more series of a class of senior securities of the Fund representing stock under Section 18 of the 1940 Act, ranking on a parity with MuniFund Term Preferred Shares as to the payment of dividends and the distribution of assets upon dissolution, liquidation or the winding up of the affairs of the Fund, in addition to then Outstanding Series of MuniFund Term Preferred Shares, including additional Series of MuniFund Term Preferred Shares,

and authorize, issue and sell additional shares of any such series of Preferred Shares then outstanding or so established and created, including additional MuniFund Term Preferred Shares of any Series, in each case in accordance with applicable law, provided that the Fund shall, immediately after giving effect to the issuance of such additional Preferred Shares and to its receipt and application of the proceeds thereof, including to the redemption of Preferred Shares with such proceeds, have Asset Coverage (calculated in the same manner as is contemplated by Section 2.4(b) hereof) of at least 225%.

2.9 Status of Redeemed or Repurchased MuniFund Term Preferred Shares. MuniFund Term Preferred Shares that at any time have been redeemed or purchased by the Fund shall, after such redemption or purchase, have the status of authorized but unissued Preferred Shares.

2.10 Distributions with respect to Taxable Allocations. Holders of shares of each Series of MuniFund Term Preferred Shares shall be entitled to receive, when, as and if declared by the Board of Trustees, out of funds legally available therefor, additional distributions payable with respect to Taxable Allocations that are paid with respect to shares of such Series in accordance with one of the procedures set forth in clauses (a) through (c) of this Section 2.10:

(a) The Fund may provide notice to the Redemption and Paying Agent prior to the commencement of any Dividend Period for a Series of MuniFund Term Preferred Shares of the amount of a Taxable Allocation that will be made in respect of shares of such Series for such Dividend Period (a Notice of Taxable Allocation). Such Notice of Taxable Allocation will state the amount of the dividends payable in respect of each share of the applicable Series for such Dividend Period that will be treated as a Taxable Allocation and the amount of any Additional Amount Payments to be paid in respect of such Taxable Allocation. If the Fund provides a Notice of Taxable Allocation with respect to dividends payable on shares of a Series of MuniFund Term Preferred Shares for a Dividend Period, the Fund shall, in addition to and in conjunction with the payment of such dividends, make a supplemental distribution in respect of each share of such Series for such Dividend Period of an additional amount equal to the Additional Amount Payment payable in respect of the Taxable Allocation paid on such share for such Dividend Period.

(b) If the Fund does not provide a Notice of Taxable Allocation as provided in Section 2.10(a) with respect to a Taxable Allocation that is made in respect of shares of a Series of MuniFund Term Preferred Shares, the Fund may make one or more supplemental distributions on shares of such Series equal to the amount of such Taxable Allocation. Any such supplemental distribution in respect of shares of a Series may be declared and paid on any date, without reference to any regular Dividend Payment Date, to the Holders of shares of such Series as their names appear on the registration books of the Fund on such date, not exceeding fifteen (15) calendar days preceding the payment date of such supplemental distribution, as may be fixed by the Board of Trustees.

(c) If in connection with a redemption of MTP Shares, the Fund makes a Taxable Allocation without having either given advance notice thereof pursuant to Section 2.10(a) or made one or more supplemental distributions pursuant to Section 2.10(b), the Fund shall direct the Redemption and Paying Agent to send an Additional Amount Payment in respect of such Taxable Allocation to each Holder of such shares at such Holder's address as the same appears or last appeared on the record books of the Fund.

(d) The Fund shall not be required to pay Additional Amount Payments with respect to shares of any Series of MuniFund Term Preferred Shares with respect to any net capital

gains or other taxable income determined by the Internal Revenue Service to be allocable in a manner different from the manner used by the Fund.

2.11 Term Redemption Liquidity Account and Liquidity Requirement.

(a) On or prior to the Liquidity Account Initial Date with respect to any Series of MuniFund Term Preferred Shares, the Fund shall cause the Custodian to segregate, by means of appropriate identification on its books and records or otherwise in accordance with the Custodian's normal procedures, from the other assets of the Fund (the Term Redemption Liquidity Account) Liquidity Account Investments with a Market Value equal to at least One Hundred and Ten Percent (110%) of the Term Redemption Amount with respect to such Series. The Term Redemption Amount for any Series of MuniFund Term Preferred Shares shall be equal to the Redemption Price to be paid on the Term Redemption Date for such Series, based on the number of shares of such Series then Outstanding, assuming for this purpose that the Dividend Rate for such Series in effect at the time of the creation of the Term Redemption Liquidity Account for such Series will be the Dividend Rate in effect for such Series until the Term Redemption Date for such Series. If, on any date after the Liquidity Account Initial Date, the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity Account for a Series of MuniFund Term Preferred Shares as of the close of business on any Business Day is less than One Hundred and Ten Percent (110%) of the Term Redemption Amount with respect to such Series, then the Fund shall cause the Custodian and the Adviser to take all such necessary actions, including segregating additional assets of the Fund as Liquidity Account Investments, so that the aggregate Market Value of the Liquidity Account Investments included in the Term Redemption Liquidity Account for such Series is at least equal to One Hundred and Ten Percent (110%) of the Term Redemption Amount with respect to such Series not later than the close of business on the next succeeding Business Day. With respect to assets of the Fund segregated as Liquidity Account Investments with respect to a Series of MuniFund Term Preferred Shares, the Adviser, on behalf of the Fund, shall be entitled to instruct the Custodian on any date to release any Liquidity Account Investments from such segregation and to substitute therefor other Liquidity Account Investments, so long as (i) the assets of the Fund segregated as Liquidity Account Investments at the close of business on such date have a Market Value equal to One Hundred and Ten Percent (110%) of the Term Redemption Amount with respect to such Series and (ii) the assets of the Fund designated and segregated as Deposit Securities at the close of business on such date have a Market Value equal to the Liquidity Requirement (if any) determined in accordance with Section 2.11(b) below with respect to such Series for such date. The Fund shall cause the Custodian not to permit any lien, security interest or encumbrance to be created or permitted to exist on or in respect of any Liquidity Account Investments included in the Term Redemption Liquidity Account for any Series of MuniFund Term Preferred Shares, other than liens, security interests or encumbrances arising by operation of law and any lien of the Custodian with respect to the payment of its fees or repayment for its advances.

(b) The Market Value of the Deposit Securities held in the Term Redemption Liquidity Account for a Series of MuniFund Term Preferred Shares, from and after the 15th day of the calendar month that is the number of months preceding the month of the Term Redemption Date for such Series specified in the table set forth below, shall not be less than the percentage of the Term

Redemption Amount for such Series set forth below opposite such number of months (the Liquidity Requirement), but in all cases subject to the cure provisions of Section 2.11(c) below:

| Number of Months Preceding: | Value of Deposit Securities as Percentage of Term Redemption Amount |
|--------------------------------|---|
| 5 | 20% |
| 4 | 40% |
| 3 | 60% |
| 2 | 80% |
| 1 | 100% |

(c) If the aggregate Market Value of the Deposit Securities included in the Term Redemption Liquidity Account for a Series of MuniFund Term Preferred Shares as of the close of business on any Business Day is less than the Liquidity Requirement in respect of such Series for such Business Day, then the Fund shall cause the segregation of additional or substitute Deposit Securities in respect of the Term Redemption Liquidity Account for such Series, so that the aggregate Market Value of the Deposit Securities included in the Term Redemption Liquidity Account for such Series is at least equal to the Liquidity Requirement for such Series not later than the close of business on the next succeeding Business Day.

(d) The Deposit Securities included in the Term Redemption Liquidity Account for a Series of MuniFund Term Preferred Shares may be applied by the Fund, in its discretion, towards payment of the Term Redemption Price for such Series as contemplated by Section 2.5(d). Upon the deposit by the Fund with the Redemption and Paying Agent of Deposit Securities having an initial combined Market Value sufficient to effect the redemption of the MuniFund Term Preferred Shares of a Series on the Term Redemption Date for such Series in accordance with Section 2.5(d)(ii), the requirement of the Fund to maintain the Term Redemption Liquidity Account as contemplated by this Section 2.11 shall lapse and be of no further force and effect.

2.12 Global Certificate. Prior to the commencement of a Voting Period, (i) all shares of any Series of MuniFund Term Preferred Shares Outstanding from time to time shall be represented by one global certificate for such Series registered in the name of the Securities Depository or its nominee and (ii) no registration of transfer of shares of such Series of MuniFund Term Preferred Shares shall be made on the books of the Fund to any Person other than the Securities Depository or its nominee. The foregoing restriction on registration of transfer shall be conspicuously noted on the face or back of the global certificates for such Series of MTP Shares.

2.13 Notice. All notices or communications hereunder, unless otherwise specified in this Statement, shall be sufficiently given if in writing and delivered in person, by telecopier, by Electronic Means or by overnight mail or delivery or mailed by first-class mail, postage prepaid. Notices delivered pursuant to this Section 2.13 shall be deemed given on the date received or, if mailed by first class mail, the date five (5) calendar days after which such notice is mailed.

2.14 Termination. In the event that no shares of a Series of MuniFund Term Preferred Shares are Outstanding, all rights and preferences of the shares of such Series established and designated hereunder shall cease and terminate, and all obligations of the Fund under this Statement with respect to such Series shall terminate.

2.15 Appendices. The designation of each Series of MuniFund Term Preferred Shares may be set forth in an Appendix to this Statement or in a separate Statement. The Board of Trustees may, by resolution duly adopted, without shareholder approval (except as otherwise provided by this Statement or required by applicable law) (1) amend the Appendix to this Statement relating to a Series so as to reflect any amendments to the terms applicable to such Series including an increase in the number of authorized shares of such Series and (2) add additional Series of MuniFund Term Preferred Shares by including a new Appendix to this Statement relating to such Series.

2.16 Actions on Other than Business Days. Unless otherwise provided herein, if the date for making any payment, performing any act or exercising any right, in each case as provided for in this Statement, is not a Business Day, such payment shall be made, act performed or right exercised on the next succeeding Business Day, with the same force and effect as if made or done on the nominal date provided therefor, and, with respect to any payment so made, no dividends, interest or other amount shall accrue for the period between such nominal date and the date of payment.

2.17 Modification. The Board of Trustees, without the vote of the Holders of MuniFund Term Preferred Shares, may interpret, supplement or amend the provisions of this Statement or any Appendix hereto to supply any omission, resolve any inconsistency or ambiguity or to cure, correct or supplement any defective or inconsistent provision, including any provision that becomes defective after the date hereof because of impossibility of performance or any provision that is inconsistent with any provision of any other Preferred Shares of the Fund.

2.18 No Additional Rights. Unless otherwise required by law or the Declaration, the Holders of MuniFund Term Preferred Shares shall not have any relative rights or preferences or other special rights other than those specifically set forth in this Statement.

[Signature Page Begins on the Following Page]

IN WITNESS WHEREOF, Nuveen Pennsylvania Investment Quality Municipal Fund has caused this Statement to be signed on [DATE] in its name and on its behalf by a duly authorized officer. The Declaration is on file with the Secretary of the Commonwealth of Massachusetts, and the said officer of the Fund has executed this Statement as an officer and not individually, and the obligations and rights set forth in this Statement are not binding upon any such officer, or the trustees of the Fund or shareholders of the Fund, individually, but are binding only upon the assets and property of the Fund.

**NUVEEN PENNSYLVANIA INVESTMENT
QUALITY MUNICIPAL FUND**

By:

Name: Gifford R. Zimmerman

Title: Chief Administrative Officer

[Signature Page to the Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares]

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND

MUNIFUND TERM PREFERRED SHARES, 2.10% SERIES 2015

Preliminary Statement and Incorporation By Reference

This Appendix establishes a Series of MuniFund Term Preferred Shares of Nuveen Pennsylvania Investment Quality Municipal Fund. Except as set forth below, this Appendix incorporates by reference the terms set forth with respect to all Series of such MuniFund Term Preferred Shares in that Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares dated [DATE] (the MTP Statement). This Appendix has been adopted by resolution of the Board of Trustees of Nuveen Pennsylvania Investment Quality Municipal Fund. Capitalized terms used herein but not defined herein have the respective meanings therefor set forth in the MTP Statement.

Section 1. Designation as to Series. MuniFund Term Preferred Shares, 2.10% Series 2015: A series of [NUMBER] Preferred Shares classified as MuniFund Term Preferred Shares is hereby designated as the MuniFund Term Preferred Shares, 2.10% Series 2015 (the 2.10% Series 2015 MTP Shares). Each share of such Series shall have such preferences, voting powers, restrictions, limitations as to dividends and distributions, qualifications and terms and conditions of redemption, in addition to those required by applicable law and those that are expressly set forth in the Declaration and the MTP Statement (except as the MTP Statement may be expressly modified by this Appendix), as are set forth in this Appendix A. The 2.10% Series 2015 MTP Shares shall constitute a separate series of Preferred Shares and of the MuniFund Term Preferred Shares and each 2.10% Series 2015 MTP Share shall be identical. The following terms and conditions shall apply solely to the 2.10% Series 2015 MTP Shares:

Section 2. Number of Authorized Shares of Series. The number of authorized shares is [NUMBER].

Section 3. Date of Original Issue with respect to Series. The Date of Original Issue is [DATE].

Section 4. Fixed Dividend Rate Applicable to Series. The Fixed Dividend Rate is 2.10%.

Section 5. Liquidation Preference Applicable to Series. The Liquidation Preference is \$10.00 per share.

Section 6. Term Redemption Date Applicable to Series. The Term Redemption Date is November 1, 2015.

Section 7. Dividend Payment Dates Applicable to Series. The Dividend Payment Dates are the first Business Day of the month next following each Dividend Period except that any dividend paid with respect to any Dividend Period consisting of the month of December in any year shall be paid on the last Business Day of such December.

Appendix A

Page 1

Section 8. Non-Call Period Applicable to Series.

Not applicable.

Section 9. Liquidity Account Initial Date Applicable to Series. The Liquidity Account Initial Date is May 1, 2015.

Section 10. Exceptions to Certain Definitions Applicable to the Series. The following definitions contained under the heading Definitions in the MTP Statement are hereby amended as follows:

Not applicable.

Section 11. Additional Definitions Applicable to the Series. The following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

Dividend Period means, with respect to each 2.10% Series 2015 MTP Share, in the case of the first Dividend Period, the period beginning on the Date of Original Issue for such Series and ending on and including the last day of the month in which the Date of Original Issue occurred and for each subsequent Dividend Period, the period beginning on and including the first calendar day of the month following the month in which the previous Dividend Period ended and ending on and including the last calendar day of such month.

Optional Redemption Premium means with respect to each 2.10% Series 2015 MTP Share an amount equal to:

Not applicable.

Section 12. Amendments to Terms of MuniFund Term Preferred Shares Applicable to the Series. The following provisions contained under the heading Terms of the MuniFund Term Preferred Shares in the MTP Statement are hereby amended as follows:

Not applicable.

Section 13. Additional Terms and Provisions Applicable to the Series. The following provisions shall be incorporated into and be deemed part of the MTP Statement:

Not applicable.

Appendix A

Page 2

IN WITNESS WHEREOF, Nuveen Pennsylvania Investment Quality Municipal Fund has caused this Appendix to be signed on [DATE] in its name and on its behalf by a duly authorized officer. The Declaration and the MTP Statement are on file with the Secretary of the Commonwealth of Massachusetts, and the said officer of the Fund has executed this Appendix as an officer and not individually, and the obligations and rights set forth in this Appendix are not binding upon any such officer, or the trustees of the Fund or shareholders of the Fund, individually, but are binding only upon the assets and property of the Fund.

**NUVEEN PENNSYLVANIA INVESTMENT
QUALITY MUNICIPAL FUND**

By:

Name: Gifford R. Zimmerman

Title: Chief Administrative Officer

[Signature Page to the Appendix A Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares]

Appendix A

Page 3

NUVEEN PENNSYLVANIA INVESTMENT QUALITY MUNICIPAL FUND

MUNIFUND TERM PREFERRED SHARES, 2.15% SERIES 2015

Preliminary Statement and Incorporation By Reference

This Appendix establishes a Series of MuniFund Term Preferred Shares of Nuveen Pennsylvania Investment Quality Municipal Fund. Except as set forth below, this Appendix incorporates by reference the terms set forth with respect to all Series of such MuniFund Term Preferred Shares in that Statement Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares dated [DATE] (the MTP Statement). This Appendix has been adopted by resolution of the Board of Trustees of Nuveen Pennsylvania Investment Quality Municipal Fund. Capitalized terms used herein but not defined herein have the respective meanings therefor set forth in the MTP Statement.

Section 14. Designation as to Series. MuniFund Term Preferred Shares, 2.15% Series 2015: A series of [NUMBER] Preferred Shares classified as MuniFund Term Preferred Shares is hereby designated as the MuniFund Term Preferred Shares, 2.15% Series 2015 (the 2.15% Series 2015 MTP Shares). Each share of such Series shall have such preferences, voting powers, restrictions, limitations as to dividends and distributions, qualifications and terms and conditions of redemption, in addition to those required by applicable law and those that are expressly set forth in the Declaration and the MTP Statement (except as the MTP Statement may be expressly modified by this Appendix), as are set forth in this Appendix B. The 2.15% Series 2015 MTP Shares shall constitute a separate series of Preferred Shares and of the MuniFund Term Preferred Shares and each 2.15% Series 2015 MTP Share shall be identical. The following terms and conditions shall apply solely to the 2.15% Series 2015 MTP Shares:

Section 15. Number of Authorized Shares of Series. The number of authorized shares is [NUMBER].

Section 16. Date of Original Issue with respect to Series. The Date of Original Issue is [DATE].

Section 17. Fixed Dividend Rate Applicable to Series. The Fixed Dividend Rate is 2.15%.

Section 18. Liquidation Preference Applicable to Series. The Liquidation Preference is \$10.00 per share.

Section 19. Term Redemption Date Applicable to Series. The Term Redemption Date is November 1, 2015.

Section 20. Dividend Payment Dates Applicable to Series. The Dividend Payment Dates are the first Business Day of the month next following each Dividend Period except that any dividend paid with respect to any Dividend Period consisting of the month of December in any year shall be paid on the last Business Day of such December.

Appendix B

Page 1

Section 21. Non-Call Period Applicable to Series.

Not applicable.

Section 22. Liquidity Account Initial Date Applicable to Series. The Liquidity Account Initial Date is May 1, 2015.

Section 23. Exceptions to Certain Definitions Applicable to the Series. The following definitions contained under the heading Definitions in the MTP Statement are hereby amended as follows:

Not applicable.

Section 24. Additional Definitions Applicable to the Series. The following terms shall have the following meanings (with terms defined in the singular having comparable meanings when used in the plural and vice versa), unless the context otherwise requires:

Dividend Period means, with respect to each 2.15% Series 2015 MTP Share, in the case of the first Dividend Period, the period beginning on the Date of Original Issue for such Series and ending on and including the last day of the month in which the Date of Original Issue occurred and for each subsequent Dividend Period, the period beginning on and including the first calendar day of the month following the month in which the previous Dividend Period ended and ending on and including the last calendar day of such month.

Optional Redemption Premium means with respect to each 2.15% Series 2015 MTP Share an amount equal to:

Not applicable.

Section 25. Amendments to Terms of MuniFund Term Preferred Shares Applicable to the Series. The following provisions contained under the heading Terms of the MuniFund Term Preferred Shares in the MTP Statement are hereby amended as follows:

Not applicable.

Section 26. Additional Terms and Provisions Applicable to the Series. The following provisions shall be incorporated into and be deemed part of the MTP Statement:

Not applicable.

Appendix B

Page 2

IN WITNESS WHEREOF, Nuveen Pennsylvania Investment Quality Municipal Fund has caused this Appendix to be signed on [DATE] in its name and on its behalf by a duly authorized officer. The Declaration and the MTP Statement are on file with the Secretary of the Commonwealth of Massachusetts, and the said officer of the Fund has executed this Appendix as an officer and not individually, and the obligations and rights set forth in this Appendix are not binding upon any such officer, or the trustees of the Fund or shareholders of the Fund, individually, but are binding only upon the assets and property of the Fund.

**NUVEEN PENNSYLVANIA INVESTMENT
QUALITY MUNICIPAL FUND**

By:

Name: Gifford R. Zimmerman

Title: Chief Administrative Officer

[Signature Page to the Appendix B Establishing and Fixing the Rights and Preferences of MuniFund Term Preferred Shares]

Appendix B

Page 3

Table of Contents

| | |
|--|-----|
| <u>Chairman's Letter to Shareholders</u> | 4 |
| <u>Portfolio Manager's Comments</u> | 5 |
| <u>Fund Leverage</u> | 13 |
| <u>Common Share Information</u> | 15 |
| <u>Risk Considerations</u> | 18 |
| <u>Performance Overview and Holding Summaries</u> | 19 |
| <u>Shareholder Meeting Report</u> | 29 |
| <u>Report of Independent Registered Public Accounting Firm</u> | 32 |
| <u>Portfolios of Investments</u> | 33 |
| <u>Statement of Assets and Liabilities</u> | 104 |
| <u>Statement of Operations</u> | 106 |
| <u>Statement of Changes in Net Assets</u> | 108 |
| <u>Statement of Cash Flows</u> | 112 |
| <u>Financial Highlights</u> | 116 |
| <u>Notes to Financial Statements</u> | 128 |
| <u>Board Members & Officers</u> | 142 |
| <u>Reinvest Automatically, Easily and Conveniently</u> | 147 |
| <u>Glossary of Terms Used in this Report</u> | 149 |
| <u>Additional Fund Information</u> | 155 |

Chairman s

Letter to Shareholders

Dear Shareholders,

After nine years of serving as lead director and independent chairman of the Nuveen Fund Board, my term of office is coming to an end. It has been a privilege to use this space to communicate with you on some of the broad economic trends in the U.S. and abroad and how they are impacting the investment environment in which your funds operate. In addition, I have enjoyed offering some perspective on how your Board views the various Nuveen investment teams as they apply their investment disciplines in that investment environment.

My term has coincided with a particularly challenging period for both mutual fund sponsors and investors. Since 2000 there have been three periods of unusually strong stock market growth and two major market declines. Recent years have been characterized by a search for yield in fixed income securities to compensate for an extended period of very low interest rates. Funds are investing more in foreign and emerging markets that require extensive research capabilities to overcome the more limited transparency and higher volatility in those markets. New fund concepts often incorporate derivative financial instruments that offer efficient ways to hedge investment risk or gain exposure to selected markets. Fund trading teams operate in many new domestic and international venues with quite different characteristics. Electronic trading and global communication networks mean that fund managers must be able to thrive in financial markets that react instantaneously to newsworthy events and are more interconnected than ever.

Nuveen has committed additional resources to respond to these changes in the fund industry environment. It has added IT and research resources to assemble and evaluate the increased flow of detailed information on economies, markets and individual companies. Based on its experience during the financial crisis of 2008-09, Nuveen has expanded its resources dedicated to valuing and trading portfolio securities with a particular focus on stressed financial market conditions. It has added systems and experienced risk management professionals to work with investment teams to better help evaluate whether their funds' risk exposures are appropriate in view of the return targets. The investment teams have also reflected on recent experience to reaffirm or modify their investment disciplines. Finally, experienced professionals and IT resources have been added to address new regulatory requirements designed to better inform and protect investors. The Board has enthusiastically encouraged these initiatives.

The Nuveen Fund Board has always viewed itself as your representatives to assure that Nuveen brings together experienced people, proven technologies and effective processes designed to produce results that meet investor expectations. It is important to note that our activities are highlighted by the annual contract renewal process. Despite its somewhat formal language, I strongly encourage you to read the summary because it offers an insight into our oversight process. The report is included in the back of this or a subsequent shareholder report. The renewal process is very comprehensive and includes a number of evaluations and discussions between the Board and Nuveen during the year. The summary also describes what has been achieved across the Nuveen fund complex and at individual funds such as yours.

As I leave the chairmanship and resume my role as a member of the Board, please be assured that I and my fellow Board members will continue to hold your interests uppermost in our minds as we oversee the management of your funds and that we greatly appreciate your confidence in your Nuveen fund.

Very sincerely,

Robert P. Bremner

Chairman of the Board

June 21, 2013

Portfolio Manager's Comments

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio manager as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc., or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C 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.

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (NQJ)

Nuveen New Jersey Premium Income Municipal Fund, Inc. (NNJ)

Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ)

Nuveen New Jersey Dividend Advantage Municipal Fund 2 (NUJ)

Nuveen New Jersey Municipal Value Fund (NJV)

Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)

Nuveen Pennsylvania Premium Income Municipal Fund 2 (NPY)

Nuveen Pennsylvania Dividend Advantage Municipal Fund (NXM)

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (NVY)

Nuveen Pennsylvania Municipal Value Fund (NPN)

Portfolio manager Paul Brennan reviews economic and municipal market conditions at the national and state levels, key investment strategies and the twelve-month performance of the Nuveen New Jersey and Pennsylvania Funds. Paul assumed portfolio management responsibility for these Funds in January 2011.

APPROVED FUND REORGANIZATIONS

On May 23, 2013, (subsequent to the close of this reporting period) the Funds' Board of Trustees approved a series of reorganizations for certain of the Pennsylvania Funds included in this report. The reorganizations are intended to create one, larger-state Pennsylvania Fund, which would potentially offer shareholders the following benefits:

Lower Fund expense ratios (excluding the effects of leverage), as fixed costs are spread over a larger asset base;

Enhanced secondary market trading, as larger Funds potentially make it easier for investors to buy and sell Fund shares;

Lower per share trading costs through reduced bid/ask spreads due to a larger common share float; and

Increased Fund flexibility in managing the structure and cost of leverage over time.

The approved reorganizations are as follows:

| Acquired Funds | Symbol | Acquiring Fund | Symbol |
|---|--------|---|--------|
| Nuveen Pennsylvania Premium Income Municipal Fund 2 | NPY | Nuveen Pennsylvania Investment Quality Municipal Fund | NQP |
| Nuveen Pennsylvania Dividend Advantage Municipal Fund | NXM | | |
| Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 | NVY | | |

If shareholders approve the reorganizations, and upon the closing of the reorganizations, the Acquired Funds will transfer their assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of the liabilities of the Acquired Funds. The Acquired Funds will then be liquidated, dissolved and terminated in accordance with their Declaration of Trust. In addition, shareholders of the Acquired Funds will become shareholders of the Acquiring Fund. Holders of common shares will receive newly issued common shares of the Acquiring Fund, the aggregate net asset value of which will be equal to the aggregate net asset value of the common shares of the Acquired Fund held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Fractional shares will be sold on the open market and shareholders will receive cash in lieu of such fractional shares. Holders of preferred shares of each Acquired Fund will receive on a one-for-one basis newly issued preferred shares of the Acquiring Fund, in exchange for preferred shares of the Acquired Fund held immediately prior to the reorganization.

What factors affected the U.S. economy and municipal market during the twelve-month reporting period ended April 30, 2013?

During this reporting period, the U.S. economy's progress toward recovery from recession continued at a moderate pace. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. At its May 2013 meeting (subsequent to the end of this reporting period), the central bank stated that it expected its highly accommodative stance of monetary policy would keep the fed funds rate in this exceptionally low range at least as long as the unemployment rate remained above 6.5% and the outlook for inflation one to two years ahead was no higher than 2.5%. The Fed also decided to continue its monthly purchases of \$40 billion of mortgage-backed securities and \$45 billion of longer-term Treasury securities in an open-ended effort to bolster growth. Taken together, the goals of these actions are to put downward pressure on longer-term interest rates, make broader financial conditions more accommodative and support a stronger economic recovery as well as continued progress toward the Fed's mandates of maximum employment and price stability.

In the first quarter of 2013, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 2.5%, compared with 0.4% for the fourth quarter of 2012, continuing the pattern of positive economic growth for the 15th consecutive quarter. The Consumer Price Index (CPI) rose 1.1% year-over-year as of April 2013, while the core CPI (which excludes food and energy) increased 0.1% during the period, staying within the Fed's unofficial objective of 2.0% or lower for this inflation measure. Labor market conditions continued to slowly show signs of improvement. As of April 2013, the national unemployment rate was 7.5%, the lowest level since December 2008, down from 8.1% in April 2012. The housing market, long a major weak spot in the economic recovery, also delivered some good news, as the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rose 10.9% for the twelve months ended March 2013 (most recent data available at the time this report was prepared). This marked the largest twelve-month percentage gain for the index since May 2006.

During this period, the outlook for the U.S. economy was clouded by uncertainty about global financial markets and the outcome of the fiscal cliff. The tax consequences of the fiscal cliff situation, which had been scheduled to become effective in January 2013 were averted through a last-minute deal that raised payroll taxes but left in place a number of tax breaks. However, lawmakers postponed and then failed to reach a resolution on \$1.2 trillion in spending cuts intended to address the federal budget deficit. As a result, automatic spending cuts (or sequestration) affecting both defense and non-defense programs (excluding Social Security and Medicaid) took effect March 1, 2013, with potential implications for economic growth over the next decade. In late March 2013, Congress passed legislation that established federal funding levels for the remainder of fiscal 2013, which ends on September 30, 2013, preventing a federal government shutdown. The proposed federal budget for fiscal 2014 remains under debate.

Municipal bond prices generally rallied nationally during this period, as strong demand and tight supply combined to create favorable market conditions for municipal bonds. However, the market also encountered some additional volatility generated by the political environment, particularly the fiscal cliff at the end of 2012 and the approach of federal tax season. Although the total volume of tax-exempt supply improved over that of the same period a year earlier, the issuance pattern remained light compared with long-term historical trends and new money issuance was relatively flat. This supply/demand dynamic served as a key driver of performance. At the state level, state governments in aggregate appeared to have made good progress in dealing with budget issues. On the revenue side, state tax collections have grown for eleven straight quarters, exceeding pre-recession levels beginning in September 2011, while on the expense side, the states made headway in cutting and controlling costs. The current low level of municipal issuance reflects the current political distaste for additional borrowing by state and local governments facing fiscal constraints and the prevalent

atmosphere of municipal budget austerity. During this period, we continued to see municipal yields remain relatively low. Borrowers seeking to take advantage of the low rate environment sparked an increase in refunding activity, with approximately 50% of municipal paper issued by borrowers that were calling existing debt and refinancing at lower rates.

Over the twelve months ended April 30, 2013, municipal bond issuance nationwide totaled \$378 billion, an increase of 9.5% over the issuance for the twelve-month period ended April 30, 2012. As previously mentioned, the majority of this supply was attributable to refunding issues, rather than new money issuance. During this period, demand for municipal bonds remained very strong, especially from individual investors, but also from mutual funds, banks and insurance companies.

How were the economic and market conditions in New Jersey and Pennsylvania during this reporting period?

Although New Jersey's recession was milder than the nation's, its subsequent economic recovery has been slow. Cutbacks in public sector employment and financial services have weighed on the state. In April 2013, New Jersey's unemployment rate was 8.7%, down from 9.1%, in April 2012, but still above the national rate of 7.5%. On October 29, 2012, Hurricane Sandy hit New Jersey, causing extensive damage, particularly on the Jersey Shore, with Ocean and Monmouth Counties especially hard hit. Damage in New Jersey has been estimated at \$29 billion. Private insurers are expected to cover about half of the damages, with the other half being covered by federal aid. The federal government has approved a total of \$60.2 billion of Sandy relief, of which New Jersey is expected to see its share. New Jersey's economy should see a lift as the rebuilding efforts from Hurricane Sandy get underway. In February 2013, the governor proposed a fiscal 2014 budget of \$32.9 billion. The fiscal 2014 budget contains no new taxes and abandons the governor's hoped-for income tax reduction. Both Moody's and S&P reduced their credit ratings for New Jersey in 2011. Moody's lowered its rating from Aa2 to Aa3 on April 27, 2011, citing depleted reserves, the state's high debt burden, and its poorly funded retirement plans. S&P lowered its rating from AA to AA- on February 9, 2011, citing the same reasons. For the twelve months ended April 30, 2013, New Jersey state issuance totaled \$14.4 billion, an increase of 52.4% over the twelve-month period ended April 30, 2012.

During this reporting period, Pennsylvania's economic recovery continued, but remained somewhat tenuous. In 2012, the commonwealth's economy expanded at a rate of 1.4%, compared with the national growth rate of 1.7%. According to Moody's, education and health services remained Pennsylvania's largest employment sector.

Manufacturing represented another 9.9% of employment, down from previous levels. In April 2013, Pennsylvania's unemployment rate was 7.6%, down from 8.2%, in April 2012, but still above the national rate of 7.5%. The fiscal 2013 budget was the second budget to be adopted on time after eight consecutive years of late budgets. The original budget anticipated revenue growth of 3.3%, and year-to-date through February general fund revenues are 0.7% above original estimates. The governor's proposed fiscal 2014 budget of \$29.2 billion incorporates a 2.4% increase in appropriations over the fiscal 2013 budget but does not include any additional revenue enhancements. The gap between expected revenues in fiscal 2014 and expected expenditures produce an operating shortfall of approximately \$513 million. The governor has proposed using the projected ending balance in the current fiscal 2013 budget of \$543 million to address the shortfall. During July 2012, Moody's downgraded the Commonwealth of Pennsylvania's general obligation (GO) debt rating to Aa2 with a stable outlook from Aa1 with a negative outlook. S&P affirmed its AA rating in July 2012 but revised its outlook to negative from stable. For the twelve months ended April 30, 2013, \$15.7 billion in municipal bonds were issued in the commonwealth, an increase of 12.6% from the previous twelve months.

What key strategies were used to manage the Nuveen New Jersey and Pennsylvania Funds during the twelve-month reporting period ended April 30, 2013?

During this reporting period, municipal bond prices generally rallied, as strong demand and tight supply combined to create favorable market conditions for municipal bonds. However, the municipal market also encountered some additional volatility generated by the political environment, particularly the fiscal cliff at the end of 2012 and the approach of federal tax season. Although the total volume of tax-exempt supply improved, the issuance pattern remained light compared with long-term historical trends. This supply/demand dynamic served as a key driver of performance. Concurrent with rising prices, yields continued to decline across most maturities, especially at the longer end of the municipal yield curve. During this period, we saw an increased number of borrowers come to market seeking to take advantage of the low rate environment through refunding activity, with approximately 50% of new municipal paper issued by borrowers that were calling existing debt and refinancing at lower rates.

In this environment, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believe had the potential to perform well over the long term. During this period, the New Jersey Funds found value in several areas of the market, including transportation, toll roads, utilities and tax-supported bonds. We decreased our exposure to pre-refunded bonds as we looked to take advantage of other sectors.

In the Pennsylvania Funds, we added to our positions in hospital bonds and local GO bonds and other tax-supported issues. In particular, Pennsylvania's hospital sector offered attractive opportunities from a number of issuers across the state, with credit quality ratings ranging from AA to BB.

In both the New Jersey and Pennsylvania Funds, we looked to add tollway revenue bonds. In particular, for the Pennsylvania Funds, we invested in Delaware River Port Authority revenue bonds. In the New Jersey funds, we invested in Delaware River revenue bonds.

Overall, we emphasized bonds with longer maturities, particularly in the New Jersey Funds, where extending duration was a major focus during the first half of the reporting period. These Funds, with the exception of NJV, tended to be at the shorter end of their targeted duration range. The purchase of longer maturity bonds helped to extend the Funds' duration, provided additional protection for their duration and yield curve positioning and enabled us to take advantage of more attractive yields at the longer end of the municipal yield curve. We also continued to add bonds with longer maturities to the Pennsylvania Funds, although these Funds were generally better positioned in terms of duration than the New Jersey Funds, with durations at the higher end of their targeted range. We also purchased lower rated bonds when we found attractive opportunities, as we believed these bonds continued to offer relative value.

As of April 30, 2013, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the twelve-month reporting period ended April 30, 2013?

The tables in each Fund's Performance Overview and Holding Summaries section of this report provide total returns for the Funds for the applicable one-year, five-year, ten-year and since inception periods ended April 30, 2013. Each Fund's total returns are compared with the performance of a corresponding market index and Lipper classification average.

For the twelve-months ended April 30, 2013, the total returns on common share net asset value (NAV) for all of the Nuveen New Jersey and Pennsylvania Funds exceeded the returns for their respective S&P Municipal Bond Index. For the same period, NNJ, NUJ and NJV underperformed the Lipper New Jersey Municipal Debt Funds Classification Average, while NQJ performed in line and NXJ outperformed the Lipper

Average. NQP outperformed the Lipper Pennsylvania Municipal Debt Funds Classification Average, while NPY, NXM and NPN underperformed and NVY performed in line with the Lipper Average.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. In addition, the use of regulatory leverage was an important positive factor affecting the performance of the Funds (NJV and NPN do not use regulatory leverage).

During this twelve-month reporting period, municipal bonds with maturities of ten years and longer generally outperformed those with shorter maturities. Duration and yield curve positioning remained an important factor in the Funds' performance. In general, the Funds were helped by their allocations of long duration bonds, which outperformed the market as a whole for the period.

Credit exposure was another important factor in the Funds' performance during these twelve-months, as lower quality bonds generally outperformed higher quality bonds. This outperformance was due in part to the greater demand for lower rated bonds as investors looked for investment vehicles offering higher yields. As investors became more comfortable taking on additional investment risk, credit spreads, or the difference in yield spreads between U.S. Treasury securities and comparable investments such as municipal bonds, narrowed through a variety of rating categories. As a result of this spread compression, the Funds generally benefited from their holdings of lower rated credits, especially sub-investment grade bonds.

Tobacco credits backed by the 1998 master tobacco settlement agreement also performed well, helped in part by their longer effective durations. These bonds also benefited from market developments, including increased demand for higher yielding investments by investors who had become less risk averse. In addition, based on recent data showing that cigarette sales had fallen less steeply than anticipated, the 46 states participating in the agreement, including New Jersey and Pennsylvania, stand to receive increased payments from the tobacco companies.

During this reporting period, the New Jersey Funds had good weightings of tobacco credits, which benefited their performance as tobacco bonds rallied. The Pennsylvania Funds, with the exception of NPN, did not hold tobacco bonds, primarily due to the fact that Pennsylvania has not issued any tobacco settlement credits. NPN invested in tobacco bonds issued by the District of Columbia.

NNJ and NPY, which reached their 20-year anniversary during the reporting period, had the increased exposure to bonds with short call dates typically associated with that milestone, and their shorter effective duration constrained their participation in the market rally during this period.

Individual security selection also contributed to the Funds' performance, with the most significant example being NXJ's large holding of non-callable, zero coupon bonds issued by North Hudson Sewerage Authority. These bonds were advance refunded during this period, with the proceeds of the refunding issue escrowed to maturity in 2023. This provided a meaningful boost to NXJ's performance.

Shareholders also should be aware of issues impacting some of the Funds' non-state holdings. In December 2012, Moody's down-graded Puerto Rico GO bonds to Baa3 from Baa1 based on Puerto Rico's ongoing economic problems, unfunded pension liabilities, elevated debt levels and structural budget gaps. In addition, during July 2012, bonds issued by the Puerto Rico Sales Tax Financing Corporation (COFINA) also were downgraded by Moody's to Aa3 from Aa2. The downgrade of the COFINA bonds was due mainly to the performance of Puerto Rico's economy and its impact on the projected growth of sales tax revenues, and not to any sector or structural issues. In addition, the COFINA bonds were able to maintain a higher rating than the GOs because, unlike the revenue streams supporting some Puerto Rican issues, the sales taxes supporting the COFINA bonds cannot be diverted and used to support the commonwealth's GO bonds. All of these Funds have exposure to Puerto Rico bonds, the majority of which are the dedicated sales tax bonds issued by COFINA, but no exposure to Puerto Rico GOs.

During the reporting period, Puerto Rico paper generally underperformed the market as whole. Because most of our holdings were the COFINA bonds, the overall impact on performance was minimal. As we continue to emphasize Puerto Rico's stronger credits, we view the COFINA bonds as potentially long-term holdings and note that the commonwealth recently introduced various sales tax initiatives aimed at improving future collections.

Fund Leverage**IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE**

One important factor impacting the returns of all these Funds relative to the comparative indexes was the Funds' use of leverage. As mentioned previously, NJV and NPN do not use regulatory leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a Fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a Fund generally are rising. Leverage made a positive contribution to the performance of these Funds over this reporting period.

As of April 30, 2013, the Funds' percentages of effective and regulatory leverage are shown in the accompanying table.

| Fund | Effective Leverage* | Regulatory Leverage* |
|-------------|--------------------------------|---------------------------------|
| NQJ | 34.46% | 30.77% |
| NNJ | 34.91% | 31.02% |
| NXJ | 33.32% | 29.76% |
| NUJ | 36.31% | 33.03% |
| NJV | 5.34% | N/A |
| NQP | 37.52% | 30.10% |
| NPY | 35.90% | 30.31% |
| NXM | 33.65% | 30.59% |
| NVY | 35.89% | 29.78% |
| NPN | 2.62% | N/A |

* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage. Regulatory leverage consists of preferred shares issued or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as "40 Act Leverage" and is subject to asset coverage limits set forth in the Investment Company Act of 1940.

N/A The Fund does not use Regulatory leverage.

THE FUNDS REGULATORY LEVERAGE

As of April 30, 2013, the Funds have issued and outstanding MuniFund Term Preferred (MTP) Shares and Variable Rate Demand Preferred (VRDP) Shares as shown in the accompanying table. As mentioned previously, NJV and NPN do not use regulatory leverage.

MTP Shares

| Fund | Series | MTP Shares Issued at Liquidation Value | Annual | NYSE Ticker |
|------|--------|---|---------------|----------------|
| | | | Interest Rate | |
| NXJ | 2014 | \$ 44,861,000 | 2.30% | NXJ PrA |
| NUJ | 2015 | \$ 35,050,000 | 2.00% | NUJ PrC |
| NXM | 2015 | \$ 23,190,000 | 2.10% | NXM PrC |
| NVY | 2015 | \$ 24,550,000 | 2.15% | NVY PrC |

VRDP Shares

| Fund | VRDP Shares Issued at Liquidation Value |
|------|--|
| NQJ | \$ 144,300,000 |
| NNJ | \$ 88,600,000 |
| NQP | \$ 112,500,000 |
| NPY | \$ 105,000,000 |

Refer to Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies for further details on MTP Shares and VRDP Shares.

During the current reporting period, NQJ, NNJ, NQP and NPY exchanged all of their Series 1 VRDP Shares for Series 2 VRDP Shares. The term redemption date for these new VRDP Shares is April 1, 2043 for NQJ and NNJ and December 1, 2042 for NQP and NPY, respectively. NPY also issued an additional \$5 million, at liquidation value, of Series 2 VRDP through a privately negotiated offering.

Common Share Information**COMMON SHARE DIVIDEND INFORMATION**

During the twelve-month reporting period ended April 30, 2013, the Funds' monthly dividends to common shareholders were as shown in the accompanying table.

| | Per Common Share Amounts | | | | | | | | | |
|-------------------------------|--------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | NQJ | NNJ | NXJ | NUJ | NJV | NQP | NPY | NXM | NVY | NPN |
| May | \$ 0.0705 | \$ 0.0725 | \$ 0.0695 | \$ 0.0715 | \$ 0.0580 | \$ 0.0780 | \$ 0.0700 | \$ 0.0695 | \$ 0.0745 | \$ 0.0530 |
| June | 0.0705 | 0.0725 | 0.0655 | 0.0715 | 0.0580 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| July | 0.0705 | 0.0725 | 0.0655 | 0.0715 | 0.0580 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| August | 0.0705 | 0.0725 | 0.0655 | 0.0715 | 0.0580 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| September | 0.0705 | 0.0725 | 0.0655 | 0.0665 | 0.0540 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| October | 0.0705 | 0.0725 | 0.0655 | 0.0665 | 0.0540 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| November | 0.0705 | 0.0725 | 0.0655 | 0.0665 | 0.0540 | 0.0780 | 0.0700 | 0.0670 | 0.0745 | 0.0530 |
| December | 0.0670 | 0.0710 | 0.0580 | 0.0600 | 0.0520 | 0.0740 | 0.0700 | 0.0630 | 0.0700 | 0.0530 |
| January | 0.0670 | 0.0710 | 0.0580 | 0.0600 | 0.0520 | 0.0740 | 0.0700 | 0.0630 | 0.0700 | 0.0530 |
| February | 0.0670 | 0.0710 | 0.0580 | 0.0600 | 0.0520 | 0.0740 | 0.0700 | 0.0630 | 0.0700 | 0.0530 |
| March | 0.0670 | 0.0710 | 0.0550 | 0.0565 | 0.0520 | 0.0700 | 0.0700 | 0.0595 | 0.0620 | 0.0530 |
| April | 0.0670 | 0.0710 | 0.0550 | 0.0565 | 0.0520 | 0.0700 | 0.0700 | 0.0595 | 0.0620 | 0.0530 |
| Long-Term Capital Gain* | | | | | \$ 0.2529 | | | \$ 0.0391 | \$ 0.0336 | \$ 0.3015 |
| Ordinary Income Distribution* | \$ 0.0005 | | | | \$ 0.0160 | | | | | |
| Market Yield** | 5.31% | 5.34% | 4.42% | 4.44% | 3.90% | 5.51% | 5.74% | 4.92% | 5.22% | 4.01% |
| Taxable-Equivalent Yield** | 7.88% | 7.92% | 6.56% | 6.59% | 5.79% | 7.89% | 8.22% | 7.05% | 7.48% | 5.74% |

* Distribution paid in December 2012.

** Market Yield is based on the Fund's current annualized monthly dividend divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.6% and 30.2% for New Jersey and Pennsylvania, respectively. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment

income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of April 30, 2013, all of the Funds had positive UNII balances for tax purposes and for financial reporting purposes.

COMMON SHARE EQUITY SHELF PROGRAMS

During February and March 2013, NQJ and NNJ, respectively, each filed a preliminary prospectus with the Securities and Exchange Commission (SEC) for an equity shelf program, pursuant to which each Fund may issue additional common shares as shown in the accompanying table. As of the time this report was prepared, these equity shelf programs were not yet effective.

| Fund | Additional Common Shares |
|-------------|---------------------------------|
| NQJ | 2,000,000 |
| NNJ | 1,200,000 |

Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies for further details on the Funds equity shelf programs.

COMMON SHARE REPURCHASES

During November 2012, the Nuveen Funds' Board of Directors/Trustees reauthorized the Funds' open-market share repurchase program, allowing each Fund to repurchase an aggregate of up to approximately 10% of its outstanding common shares.

As of April 30, 2013, and since the inception of the Funds' repurchase programs, the following Funds have cumulatively repurchased and retired common shares as shown in the accompanying table. Since the inception of the Funds' repurchase programs, NJV, NVY and NPN have not repurchased any of their outstanding common shares.

| Fund | Common Shares Repurchased and Retired | % of Common Shares Authorized for Repurchase |
|-------------|--|---|
| NQJ | 30,600 | 0.1% |
| NNJ | 12,900 | 0.1% |
| NXJ | 7,200 | 0.1% |
| NUJ | 2,800 | 0.1% |
| NJV | | |
| NQP | 220,600 | 1.4% |
| NPY | 231,200 | 1.5% |
| NXM | 10,600 | 0.3% |
| NVY | | 0.0% |
| NPN | | 0.0% |

During the twelve-month reporting period, the Funds did not repurchase any of their outstanding common shares.

COMMON SHARE OTHER INFORMATION

As of April 30, 2013, and during the twelve-month reporting period, the Funds' common share prices were trading at a premium/(discount) to their common share NAV as shown in the accompanying table.

| | NQJ | NNJ | NXJ | NUJ | NJV |
|--|------------|------------|------------|------------|------------|
| Common Share NAV | \$ 15.84 | \$ 16.30 | \$ 16.12 | \$ 15.70 | \$ 16.98 |
| Common Share Price | \$ 15.15 | \$ 15.97 | \$ 14.94 | \$ 15.28 | \$ 16.02 |
| Premium/(Discount) to NAV | -4.36% | -2.02% | -7.32% | -2.68% | -5.65% |
| 12-Month Average Premium/(Discount) to NAV | -0.85% | 1.81% | -2.51% | 3.89% | -1.24% |
| | NQP | NPY | NXM | NVY | NPN |
| Common Share NAV | \$ 16.21 | \$ 15.48 | \$ 15.84 | \$ 15.53 | \$ 16.48 |
| Common Share Price | \$ 15.24 | \$ 14.64 | \$ 14.51 | \$ 14.26 | \$ 15.86 |
| Premium/(Discount) to NAV | -5.98% | -5.43% | -8.40% | -8.18% | -3.76% |
| 12-Month Average Premium/(Discount) to NAV | -1.73% | -3.26% | -4.99% | -2.47% | -4.37% |

Risk Considerations

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment, Market and Price Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the municipal securities owned by the Fund, which generally trade in the over-the-counter markets. Shares of closed-end investment companies like these Funds frequently trade at a discount to their net asset value (NAV). Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

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

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.

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.

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 investment.

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

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (NQJ)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NQJ at Common Share NAV | 8.91% | 8.01% | 6.30% |
| NQJ at Common Share Price | 7.04% | 9.35% | 6.12% |
| S&P Municipal Bond New Jersey Index | 6.27% | 6.29% | 5.50% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper New Jersey Municipal Debt Funds Classification Average | 8.96% | 8.22% | 6.60% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 24.7% |
| Transportation | 18.1% |
| U.S. Guaranteed | 13.6% |
| Health Care | 13.4% |
| Education and Civic Organizations | 9.5% |
| Water and Sewer | 5.3% |
| Tax Obligation/General | 3.9% |
| Other | 11.5% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 18.0% |
| AA | 23.0% |
| A | 35.4% |
| BBB | 11.4% |
| BB or Lower | 6.7% |
| N/R | 3.6% |

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- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C 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.
- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

Nuveen New Jersey Premium Income Municipal Fund, Inc. (NNJ)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NNJ at Common Share NAV | 8.23% | 7.83% | 6.00% |
| NNJ at Common Share Price | 8.80% | 9.55% | 6.45% |
| S&P Municipal Bond New Jersey Index | 6.27% | 6.29% | 5.50% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper New Jersey Municipal Debt Funds Classification Average | 8.96% | 8.22% | 6.60% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 26.4% |
| Transportation | 17.1% |
| U.S. Guaranteed | 15.7% |
| Health Care | 12.0% |
| Education and Civic Organizations | 10.2% |
| Water and Sewer | 5.1% |
| Other | 13.5% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 19.6% |
| AA | 22.8% |
| A | 38.2% |
| BBB | 9.9% |
| BB or Lower | 5.9% |
| N/R | 1.8% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

20 Nuveen Investments

Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NXJ at Common Share NAV | 10.29% | 8.28% | 6.51% |
| NXJ at Common Share Price | 5.04% | 8.94% | 6.32% |
| S&P Municipal Bond New Jersey Index | 6.27% | 6.29% | 5.50% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper New Jersey Municipal Debt Funds Classification Average | 8.96% | 8.22% | 6.60% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 25.8% |
| U.S. Guaranteed | 19.3% |
| Transportation | 15.1% |
| Health Care | 11.3% |
| Water and Sewer | 6.0% |
| Education and Civic Organizations | 6.0% |
| Consumer Staples | 4.1% |
| Other | 12.4% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 26.0% |
| AA | 21.2% |
| A | 31.7% |
| BBB | 11.0% |
| BB or Lower | 7.5% |
| N/R | 1.5% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

Nuveen New Jersey Dividend Advantage Municipal Fund 2 (NUJ)

Performance Overview and Holding Summaries as of April 30, 2013

Average Annual Total Returns as of April 30, 2013

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NUJ at Common Share NAV | 8.35% | 7.88% | 6.52% |
| NUJ at Common Share Price | 1.99% | 8.77% | 6.49% |
| S&P Municipal Bond New Jersey Index | 6.27% | 6.29% | 5.50% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper New Jersey Municipal Debt Funds Classification Average | 8.96% | 8.22% | 6.60% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price

Portfolio Composition¹

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 25.7% |
| Health Care | 16.0% |
| Transportation | 13.0% |
| U.S. Guaranteed | 10.0% |
| Education and Civic Organizations | 8.7% |
| Long-Term Care | 5.7% |
| Water and Sewer | 5.7% |
| Consumer Staples | 4.1% |
| Other | 11.1% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 14.5% |
| AA | 21.2% |
| A | 42.2% |
| BBB | 8.3% |
| BB or Lower | 9.6% |
| N/R | 1.6% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

22 Nuveen Investments

Nuveen New Jersey Municipal Value Fund (NJV)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | |
|---|----------------|------------------------------|
| | 1-Year | Since Inception ¹ |
| NJV at Common Share NAV | 7.86% | 9.65% |
| NJV at Common Share Price | 3.58% | 7.01% |
| S&P Municipal Bond New Jersey Index | 6.27% | 7.48% |
| S&P Municipal Bond Index | 5.74% | 7.28% |
| Lipper New Jersey Municipal Debt Funds Classification Average | 8.96% | 11.52% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition²**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/Limited | 30.4% |
| Health Care | 21.1% |
| Tax Obligation/General | 9.3% |
| Education and Civic Organizations | 8.8% |
| U.S. Guaranteed | 8.6% |
| Transportation | 8.2% |
| Other | 13.6% |

Credit Quality^{2,3,4}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 9.1% |
| AA | 19.5% |
| A | 43.0% |
| BBB | 13.6% |
| BB or Lower | 6.8% |
| N/R | 3.1% |

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this page.

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- 1 Since inception returns are from April 28, 2009.
- 2 Holdings are subject to change.
- 3 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C 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.
- 4 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

Nuveen Pennsylvania Investment Quality Municipal Fund (NQP)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NQP at Common Share NAV | 8.50% | 8.40% | 6.03% |
| NQP at Common Share Price | 2.97% | 9.60% | 5.97% |
| S&P Municipal Bond Pennsylvania Index | 5.56% | 6.00% | 5.09% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper Pennsylvania Municipal Debt Funds Classification Average | 8.32% | 7.97% | 5.92% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Tax Obligation/General | 24.2% |
| Health Care | 16.9% |
| Education and Civic Organizations | 13.8% |
| Transportation | 8.8% |
| U.S. Guaranteed | 8.5% |
| Tax Obligation/Limited | 7.8% |
| Water and Sewer | 4.6% |
| Utilities | 4.3% |
| Other | 11.1% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 9.6% |
| AA | 43.7% |
| A | 27.1% |
| BBB | 13.1% |
| BB or Lower | 1.8% |
| N/R | 3.3% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

24 Nuveen Investments

Nuveen Pennsylvania Premium Income Municipal Fund 2 (NPY)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NPY at Common Share NAV | 7.86% | 8.26% | 5.94% |
| NPY at Common Share Price | 6.68% | 10.04% | 6.04% |
| S&P Municipal Bond Pennsylvania Index | 5.56% | 6.00% | 5.09% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper Pennsylvania Municipal Debt Funds Classification Average | 8.32% | 7.97% | 5.92% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Health Care | 19.7% |
| Education and Civic Organizations | 18.8% |
| Tax Obligation/General | 14.0% |
| U.S. Guaranteed | 9.9% |
| Transportation | 7.4% |
| Water and Sewer | 7.4% |
| Tax Obligation/Limited | 7.1% |
| Long-Term Care | 4.1% |
| Other | 11.6% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 10.2% |
| AA | 42.5% |
| A | 22.7% |
| BBB | 14.9% |
| BB or Lower | 2.4% |
| N/R | 5.8% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

Nuveen Pennsylvania Dividend Advantage Municipal Fund (NXM)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NXM at Common Share NAV | 8.02% | 7.88% | 6.25% |
| NXM at Common Share Price | 6.23% | 7.83% | 5.89% |
| S&P Municipal Bond Pennsylvania Index | 5.56% | 6.00% | 5.09% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper Pennsylvania Municipal Debt Funds Classification Average | 8.32% | 7.97% | 5.92% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition¹**

(as a % of total investments)

| | |
|-----------------------------------|-------|
| Health Care | 19.3% |
| Tax Obligation/General | 16.4% |
| Education and Civic Organizations | 15.8% |
| Tax Obligation/Limited | 10.1% |
| Long-Term Care | 9.7% |
| Transportation | 6.9% |
| Water and Sewer | 4.9% |
| Utilities | 4.0% |
| Other | 12.9% |

Credit Quality^{1,2,3}

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 4.7% |
| AA | 45.9% |
| A | 18.3% |
| BBB | 19.1% |
| BB or Lower | 2.2% |
| N/R | 7.9% |

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- 1 Holdings are subject to change.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C 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.
- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

26 Nuveen Investments

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (NVY)

Performance Overview and Holding Summaries as of April 30, 2013

Average Annual Total Returns as of April 30, 2013

| | Average Annual | | |
|---|----------------|--------|---------|
| | 1-Year | 5-Year | 10-Year |
| NVY at Common Share NAV | 8.31% | 7.68% | 6.03% |
| NVY at Common Share Price | 1.49% | 7.99% | 5.70% |
| S&P Municipal Bond Pennsylvania Index | 5.56% | 6.00% | 5.09% |
| S&P Municipal Bond Index | 5.74% | 6.08% | 5.16% |
| Lipper Pennsylvania Municipal Debt Funds Classification Average | 8.32% | 7.97% | 5.92% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price

Portfolio Composition¹

(as a % of total investments)

| | |
|---------------------------------------|-------|
| Health Care | 18.2% |
| Education and Civic Organizations | 17.6% |
| Tax Obligation/General | 17.6% |
| Tax Obligation/Limited | 14.5% |
| Transportation | 8.0% |
| Long-Term Care | 5.5% |
| Housing/Single Family | 4.9% |
| Other | 13.7% |
| Credit Quality^{1,2,3} | |

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 6.2% |
| AA | 38.7% |
| A | 24.0% |
| BBB | 19.4% |
| BB or Lower | 2.2% |
| N/R | 7.5% |

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- 3 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

Nuveen Pennsylvania Municipal Value Fund (NPN)**Performance Overview and Holding Summaries as of April 30, 2013****Average Annual Total Returns as of April 30, 2013**

| | Average Annual | |
|---|----------------|------------------------------|
| | 1-Year | Since Inception ¹ |
| NPN at Common Share NAV | 6.58% | 8.86% |
| NPN at Common Share Price | 9.39% | 6.77% |
| S&P Municipal Bond Pennsylvania Index | 5.56% | 7.00% |
| S&P Municipal Bond Index | 5.74% | 7.28% |
| Lipper Pennsylvania Municipal Debt Funds Classification Average | 8.32% | 11.24% |

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares. Comparative index and Lipper return information is provided for the Fund's shares at NAV only. Indexes and Lipper averages are not available for direct investment.

Common Share Price Performance Weekly Closing Price**Portfolio Composition²**

(as a % of total investments)

| | |
|---------------------------------------|-------|
| Health Care | 23.1% |
| Tax Obligation/Limited | 19.9% |
| Education and Civic Organizations | 14.1% |
| Water and Sewer | 12.4% |
| Tax Obligation/General | 8.3% |
| Transportation | 5.1% |
| Housing/Multifamily | 4.7% |
| Other | 12.4% |
| Credit Quality^{2,3,4} | |

(as a % of total investment exposure)

| | |
|---------------------|-------|
| AAA/U.S. Guaranteed | 6.3% |
| AA | 26.1% |
| A | 36.2% |
| BBB | 24.2% |
| BB or Lower | .8% |
| N/R | 4.9% |

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- 1 Since inception returns are from April 28, 2009.
- 2 Holdings are subject to change.
- 3 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings; BB, B, CCC, CC, C 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.
- 4 Percentages may not add to 100% due to the exclusion of Other Assets Less Liabilities from the table.

28 Nuveen Investments

Shareholder Meeting Report

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 14, 2012; at this meeting the shareholders were asked to vote on the election of Board Members, to approve the elimination of the fundamental policies relating to the Fund's ability to make loans and to approve the new fundamental policy relating to the Fund's ability to make loans. The meeting was subsequently adjourned to December 14, 2012. The meeting for NUJ was subsequently adjourned to January 24, 2013, February 22, 2013 and March 14, 2013.

| | NQJ | | NNJ | | NXJ | |
|---|--|------------------|--|------------------|--|------------------|
| | Common and Preferred Shares voting together as a class | Preferred Shares | Common and Preferred Shares voting together as a class | Preferred Shares | Common and Preferred Shares voting together as a class | Preferred Shares |
| To approve the elimination of the fundamental policies relating to the Fund's ability to make loans. | | | | | | |
| For | | | | | | |
| Against | | | | | | |
| Abstain | | | | | | |
| Broker Non-Votes | | | | | | |
| Total | | | | | | |
| To approve the new fundamental policy relating to the Fund's ability to make loans. | | | | | | |
| For | | | | | | |
| Against | | | | | | |
| Abstain | | | | | | |
| Broker Non-Votes | | | | | | |
| Total | | | | | | |
| Approval of the Board Members was reached as follows: | | | | | | |
| John P. Amboian | | | | | | |
| For | 18,247,878 | | 10,753,439 | | | |
| Withhold | 632,342 | | 262,527 | | | |
| Total | 18,880,220 | | 11,015,966 | | | |
| Robert P. Bremner | | | | | | |
| For | 18,231,492 | | 10,746,735 | | 9,992,576 | |
| Withhold | 648,728 | | 269,231 | | 564,259 | |
| Total | 18,880,220 | | 11,015,966 | | 10,556,835 | |
| Jack B. Evans | | | | | | |
| For | 18,241,671 | | 10,755,733 | | 10,021,250 | |
| Withhold | 638,549 | | 260,233 | | 535,585 | |
| Total | 18,880,220 | | 11,015,966 | | 10,556,835 | |
| William C. Hunter | | | | | | |
| For | | 1,381 | | 841 | | 3,918,519 |
| Withhold | | 62 | | 45 | | 404,091 |
| Total | | 1,443 | | 886 | | 4,322,610 |
| David J. Kundert | | | | | | |
| For | 18,245,130 | | 10,746,735 | | | |
| Withhold | 635,090 | | 269,231 | | | |
| Total | 18,880,220 | | 11,015,966 | | | |
| William J. Schneider | | | | | | |
| For | | 1,381 | | 841 | | 3,889,372 |
| Withhold | | 62 | | 45 | | 433,238 |
| Total | | 1,443 | | 886 | | 4,322,610 |
| Judith M. Stockdale | | | | | | |
| For | 18,229,499 | | 10,746,067 | | | |
| Withhold | 650,721 | | 269,899 | | | |
| Total | 18,880,220 | | 11,015,966 | | | |
| Carole E. Stone | | | | | | |
| For | 18,209,809 | | 10,743,967 | | | |
| Withhold | 670,411 | | 271,999 | | | |
| Total | 18,880,220 | | 11,015,966 | | | |
| Virginia L. Stringer | | | | | | |

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| | | |
|-----------------|------------|------------|
| For | 18,239,628 | 10,756,228 |
| Withhold | 640,592 | 259,738 |
| Total | 18,880,220 | 11,015,966 |
| Terence J. Toth | | |
| For | 18,246,440 | 10,757,078 |
| Withhold | 633,780 | 258,888 |
| Total | 18,880,220 | 11,015,966 |

Shareholder Meeting Report (continued)

| | NUJ | | NJV | NQP | |
|---|---|-----------|-----------|---|-----------|
| | Common and Preferred Shares voting together | Preferred | Common | Common and Preferred Shares voting together | Preferred |
| | as a class | Shares | Shares | as a class | Shares |
| To approve the elimination of the fundamental policies relating to the Fund's ability to make loans. | | | | | |
| For | 3,867,262 | 1,338,504 | | | |
| Against | 247,798 | 64,990 | | | |
| Abstain | 139,470 | 15,600 | | | |
| Broker Non-Votes | 1,661,428 | 959,962 | | | |
| Total | 5,915,958 | 2,379,056 | | | |
| To approve the new fundamental policy relating to the Fund's ability to make loans. | | | | | |
| For | 3,849,572 | 1,345,254 | | | |
| Against | 232,541 | 58,240 | | | |
| Abstain | 172,417 | 15,600 | | | |
| Broker Non-Votes | 1,661,428 | 959,962 | | | |
| Total | 5,915,958 | 2,379,056 | | | |
| Approval of the Board Members was reached as follows: | | | | | |
| John P. Amboian | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |
| Robert P. Bremner | | | | | |
| For | | | 1,464,028 | 14,052,007 | |
| Withhold | | | 59,550 | 418,518 | |
| Total | | | 1,523,578 | 14,470,525 | |
| Jack B. Evans | | | | | |
| For | | | 1,464,028 | 14,103,685 | |
| Withhold | | | 59,550 | 366,840 | |
| Total | | | 1,523,578 | 14,470,525 | |
| William C. Hunter | | | | | |
| For | | | | | 1,074 |
| Withhold | | | | | 51 |
| Total | | | | | 1,125 |
| David J. Kundert | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |
| William J. Schneider | | | | | |
| For | | | 1,464,028 | | 1,074 |
| Withhold | | | 59,550 | | 51 |
| Total | | | 1,523,578 | | 1,125 |
| Judith M. Stockdale | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |
| Carole E. Stone | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |
| Virginia L. Stringer | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |
| Terence J. Toth | | | | | |
| For | | | | | |
| Withhold | | | | | |
| Total | | | | | |

| | NPY | | NXM | | NVY | | NPN |
|---|---|------------------|---|------------------|---|------------------|---------------|
| | Common and Preferred Shares voting together | Preferred Shares | Common and Preferred Shares voting together | Preferred Shares | Common and Preferred Shares voting together | Preferred Shares | Common Shares |
| | as a class | | as a class | | as a class | | |
| To approve the elimination of the fundamental policies relating to the Fund's ability to make loans. | | | | | | | |
| For | | | | | | | |
| Against | | | | | | | |
| Abstain | | | | | | | |
| Broker Non-Votes | | | | | | | |
| Total | | | | | | | |
| To approve the new fundamental policy relating to the Fund's ability to make loans. | | | | | | | |
| For | | | | | | | |
| Against | | | | | | | |
| Abstain | | | | | | | |
| Broker Non-Votes | | | | | | | |
| Total | | | | | | | |
| Approval of the Board Members was reached as follows: | | | | | | | |
| John P. Amboian | | | | | | | |
| For | | | | | | | |
| Withhold | | | | | | | |
| Total | | | | | | | |
| Robert P. Bremner | | | | | | | |
| For | 13,522,453 | | 5,234,757 | | 5,813,934 | | 1,141,721 |
| Withhold | 418,330 | | 138,740 | | 119,776 | | 37,341 |
| Total | 13,940,783 | | 5,373,497 | | 5,933,710 | | 1,179,062 |
| Jack B. Evans | | | | | | | |
| For | 13,525,884 | | 5,266,638 | | 5,814,577 | | 1,141,721 |
| Withhold | 414,899 | | 106,859 | | 119,133 | | 37,341 |
| Total | 13,940,783 | | 5,373,497 | | 5,933,710 | | 1,179,062 |
| William C. Hunter | | | | | | | |
| For | | 780 | | 2,202,127 | | 2,434,818 | |
| Withhold | | 220 | | 57,972 | | 11,000 | |
| Total | | 1,000 | | 2,260,099 | | 2,445,818 | |
| David J. Kundert | | | | | | | |
| For | | | | | | | |
| Withhold | | | | | | | |
| Total | | | | | | | |
| William J. Schneider | | | | | | | |
| For | | 780 | | 2,202,127 | | 2,433,318 | 1,141,721 |
| Withhold | | 220 | | 57,972 | | 12,500 | 37,341 |
| Total | | 1,000 | | 2,260,099 | | 2,445,818 | 1,179,062 |
| Judith M. Stockdale | | | | | | | |
| For | | | | | | | |
| Withhold | | | | | | | |
| Total | | | | | | | |
| Carole E. Stone | | | | | | | |
| For | | | | | | | |
| Withhold | | | | | | | |
| Total | | | | | | | |
| Virginia L. Stringer | | | | | | | |
| For | | | | | | | |
| Withhold | | | | | | | |
| Total | | | | | | | |
| Terence J. Toth | | | | | | | |

For
Withhold
Total

Report of Independent

Registered Public Accounting Firm

The Board of Directors/Trustees and Shareholders

Nuveen New Jersey Investment Quality Municipal Fund, Inc.

Nuveen New Jersey Premium Income Municipal Fund, Inc.

Nuveen New Jersey Dividend Advantage Municipal Fund

Nuveen New Jersey Dividend Advantage Municipal Fund 2

Nuveen New Jersey Municipal Value Fund

Nuveen Pennsylvania Investment Quality Municipal Fund

Nuveen Pennsylvania Premium Income Municipal Fund 2

Nuveen Pennsylvania Dividend Advantage Municipal Fund

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2

Nuveen Pennsylvania Municipal Value Fund

We have audited the accompanying statements of assets and liabilities, including the portfolios of investments, of Nuveen New Jersey Investment Quality Municipal Fund, Inc., Nuveen New Jersey Premium Income Municipal Fund, Inc., Nuveen New Jersey Dividend Advantage Municipal Fund, Nuveen New Jersey Dividend Advantage Municipal Fund 2, Nuveen New Jersey Municipal Value Fund, Nuveen Pennsylvania Investment Quality Municipal Fund, Nuveen Pennsylvania Premium Income Municipal Fund 2, Nuveen Pennsylvania Dividend Advantage Municipal Fund, Nuveen Pennsylvania Dividend Advantage Municipal Fund 2, and Nuveen Pennsylvania Municipal Value Fund (the Funds) as of April 30, 2013, and the related statements of operations and cash flows (Nuveen New Jersey Investment Quality Municipal Fund, Inc., Nuveen New Jersey Premium Income Municipal Fund, Inc., Nuveen New Jersey Dividend Advantage Municipal Fund, Nuveen New Jersey Dividend Advantage Municipal Fund 2, Nuveen Pennsylvania Investment Quality Municipal Fund, Nuveen Pennsylvania Premium Income Municipal Fund 2, Nuveen Pennsylvania Dividend Advantage Municipal Fund, and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 only) for the year then ended, the statements of changes in net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein. These financial statements and financial highlights are the responsibility of the Funds management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements and financial highlights are free of material misstatement. We were not engaged to perform an audit of the Funds' internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and financial highlights, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our procedures included confirmation of securities owned as of April 30, 2013, by correspondence with the custodian and brokers or by other appropriate auditing procedures where replies from brokers were not received. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial positions of Nuveen New Jersey Investment Quality Municipal Fund, Inc., Nuveen New Jersey Premium Income Municipal Fund, Inc., Nuveen New Jersey Dividend Advantage Municipal Fund, Nuveen New Jersey Dividend Advantage Municipal Fund 2, Nuveen New Jersey Municipal Value Fund,

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Nuveen Pennsylvania Investment Quality Municipal Fund, Nuveen Pennsylvania Premium Income Municipal Fund 2, Nuveen Pennsylvania Dividend Advantage Municipal Fund, Nuveen Pennsylvania Dividend Advantage Municipal Fund 2, and Nuveen Pennsylvania Municipal Value Fund at April 30, 2013, and the results of their operations and their cash flows (Nuveen New Jersey Investment Quality Municipal Fund, Inc., Nuveen New Jersey Premium Income Municipal Fund, Inc., Nuveen New Jersey Dividend Advantage Municipal Fund, Nuveen New Jersey Dividend Advantage Municipal Fund 2, Nuveen Pennsylvania Investment Quality Municipal Fund, Nuveen Pennsylvania Premium Income Municipal Fund 2, Nuveen Pennsylvania Dividend Advantage Municipal Fund, and Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 only) for the year then ended, the changes in their net assets for each of the two years in the period then ended, and the financial highlights for each of the periods indicated therein, in conformity with U.S. generally accepted accounting principles.

Chicago, Illinois

June 26, 2013

32 Nuveen Investments

Nuveen New Jersey Investment Quality Municipal Fund, Inc.

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Consumer Discretionary 0.3% (0.2% of Total Investments) | | | | |
| Middlesex County Improvement Authority, New Jersey, Senior Revenue Bonds, Heldrich Center Hotel/Conference Center Project, Series 2005A: | | | | |
| \$ 800 | 5.000%, 1/01/32 | 1/15 at 100.00 | Caa1 | \$ 488,280 |
| 690 | 5.125%, 1/01/37 | 1/15 at 100.00 | Caa1 | 421,452 |
| 1,490 | Total Consumer Discretionary | | | 909,732 |
| Consumer Staples 5.5% (3.9% of Total Investments) | | | | |
| Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A: | | | | |
| 2,900 | 4.500%, 6/01/23 | 6/17 at 100.00 | B1 | 2,902,030 |
| 12,105 | 4.750%, 6/01/34 | 6/17 at 100.00 | B2 | 10,663,173 |
| 4,950 | 5.000%, 6/01/41 | 6/17 at 100.00 | B2 | 4,422,875 |
| 19,955 | Total Consumer Staples | | | 17,988,078 |
| Education and Civic Organizations 13.5% (9.5% of Total Investments) | | | | |
| 1,000 | New Jersey Economic Development Authority, Revenue Bonds, The Seeing Eye Inc., Series 2005, 5.000%, 12/01/24 AMBAC Insured | 6/15 at 100.00 | N/R | 1,052,630 |
| 2,000 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2002D, 5.250%, 7/01/32 ACA Insured | 7/13 at 100.00 | BBB | 2,004,940 |
| 500 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2004C, 5.500%, 7/01/23 | 7/14 at 100.00 | BBB | 513,945 |
| 1,000 | New Jersey Educational Facilities Authority, Revenue Bonds, Georgian Court University, Series 2007D, 5.000%, 7/01/27 | 7/17 at 100.00 | BBB | 1,064,270 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2007D: | | | | |
| 3,555 | 5.000%, 7/01/32 FGIC Insured | 7/17 at 100.00 | A2 | 3,956,182 |
| 2,295 | 5.000%, 7/01/39 FGIC Insured | 7/17 at 100.00 | A2 | 2,509,996 |
| 120 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/22 NPMF Insured | 7/14 at 100.00 | AA | 125,416 |
| 1,225 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2005F, 5.000%, 7/01/16 FGIC Insured | 7/15 at 100.00 | A1 | 1,331,820 |
| 2,770 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2006A, 5.000%, 7/01/36 AMBAC Insured | 7/16 at 100.00 | AA | 3,030,158 |
| 1,500 | New Jersey Educational Facilities Authority, Revenue Bonds, Passaic County Community College, Series 2010C, 5.250%, 7/01/32 | 7/20 at 100.00 | A2 | 1,717,755 |
| 2,000 | New Jersey Educational Facilities Authority, Revenue Bonds, Princeton University, Tender Option Bond Trust 3922, 13.571%, 7/01/19 (IF) | No Opt. Call | AAA | 3,103,980 |
| 1,495 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2004H, 5.000%, 7/01/16 FGIC Insured | 7/14 at 100.00 | A | 1,563,621 |

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| 750 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2012B, 5.000%, 7/01/42 | 7/22 at 100.00 | A | 852,998 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2012A: | | | | |
| 430 | 5.000%, 7/01/32 | 7/21 at 100.00 | BBB+ | 475,627 |
| 285 | 5.000%, 7/01/37 | 7/21 at 100.00 | BBB+ | 312,058 |
| New Jersey Educational Facilities Authority, Revenue Refunding Bonds, College of New Jersey, Series 2012A: | | | | |
| 200 | 5.000%, 7/01/18 | No Opt. Call | AA | 237,820 |
| 400 | 5.000%, 7/01/19 | No Opt. Call | AA | 483,252 |
| 2,000 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2008A, 6.125%, 6/01/30 AGC Insured (Alternative Minimum Tax) | 6/18 at 100.00 | AA | 2,219,480 |
| 710 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-1A, 5.000%, 12/01/25 | 12/19 at 100.00 | AA | 789,264 |

Nuveen Investments 33

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Education and Civic Organizations (continued) | | | | |
| \$ 450 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-2, 5.000%, 12/01/30 | 12/20 at 100.00 | Aa3 | \$ 499,523 |
| 875 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2011-1, 5.750%, 12/01/27 (Alternative Minimum Tax) | 12/21 at 100.00 | Aa3 | 1,004,964 |
| 3,370 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2012-1A, 4.250%, 12/01/25 (Alternative Minimum Tax) | 12/22 at 100.00 | AA | 3,562,494 |
| 950 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Tender Option Bond Trust PA-4643, 19.910%, 6/01/30 (IF) (4) | 6/19 at 100.00 | AA | 1,436,780 |
| 200 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Inter-American University of Puerto Rico Project, Refunding Series 2012, 5.000%, 10/01/31 | 10/22 at 100.00 | A | 213,538 |
| University of Medicine and Dentistry of New Jersey, Certificates of Participation, Child Health Institute, LLC, Series 2003: | | | | |
| 1,945 | 5.000%, 4/15/20 AMBAC Insured | 10/13 at 100.00 | BBB+ | 1,949,279 |
| 1,370 | 5.000%, 4/15/22 AMBAC Insured | 10/13 at 100.00 | BBB+ | 1,372,644 |
| University of Medicine and Dentistry of New Jersey, Revenue Bonds, Series 2002A: | | | | |
| 2,100 | 5.000%, 12/01/24 AMBAC Insured | 6/13 at 100.00 | A | 2,107,098 |
| 4,000 | 5.500%, 12/01/27 AMBAC Insured | 6/13 at 100.00 | A | 4,014,160 |
| 290 | 5.000%, 12/01/31 AMBAC Insured | 6/13 at 100.00 | A | 290,792 |
| 39,785 | Total Education and Civic Organizations | | | 43,796,484 |
| Financials 1.7% (1.2% of Total Investments) | | | | |
| 5,000 | New Jersey Economic Development Authority, Revenue Refunding Bonds, Kapkowski Road Landfill Project, Series 2002, 5.750%, 10/01/21 | No Opt. Call | Ba2 | 5,546,550 |
| Health Care 18.9% (13.4% of Total Investments) | | | | |
| 1,000 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2004A, 5.750%, 2/15/34 | 8/14 at 100.00 | BBB | 1,049,260 |
| 2,090 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2005A, 5.000%, 2/15/25 | 2/15 at 100.00 | BBB | 2,171,677 |
| 2,320 | New Jersey Health Care Facilities Finance Authority, Revenue Bonds, AHS Hospital Corporation, Series 2008A, 5.000%, 7/01/27 | 7/18 at 100.00 | A1 | 2,524,926 |
| 1,175 | New Jersey Health Care Facilities Financing Authority, Hospital Revenue Bonds, Virtua Health, Tender Option Bond Trust 3018, 19.102%, 7/01/38 AGC Insured (IF) (4) | 7/19 at 100.00 | AA | 1,704,690 |
| 1,000 | New Jersey Health Care Facilities Financing Authority, New Jersey, Revenue Bonds, Saint Peters University Hospital, Refunding Series 2011, 6.250%, 7/01/35 | 7/21 at 100.00 | BB+ | 1,176,380 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, New Jersey, Revenue Bonds, Saint Peters University Hospital, Series 2007, 5.750%, 7/01/37 | 7/18 at 100.00 | BB+ | 2,177,940 |
| 510 | New Jersey Health Care Facilities Financing Authority, Revenue and Refunding Bonds, Barnabas Health, Series 2012A, 5.000%, 7/01/24 | No Opt. Call | BBB+ | 598,817 |
| 3,750 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Atlanticare Regional Medical Center, Series 2007, 5.000%, 7/01/37 | 7/17 at 100.00 | A+ | 3,955,125 |

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| 1,265 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, CentraState Medical Center, Series 2006A, 5.000%, 7/01/30 AGC Insured | 7/17 at 100.00 | A3 | 1,349,338 |
| 400 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Children s Specialized Hospital, Series 2005A, 5.500%, 7/01/36 | 7/15 at 100.00 | BBB | 410,192 |
| 695 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006B, 5.000%, 7/01/36 | 7/16 at 100.00 | A | 716,399 |
| 615 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006, 5.125%, 7/01/35 | 7/16 at 100.00 | A | 638,616 |
| | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Kennedy Health System Obligated Group Issue, Refunding Series 2012: | | | |
| 500 | 3.750%, 7/01/27 | No Opt. Call | A3 | 519,250 |
| 2,575 | 5.000%, 7/01/31 | 7/22 at 100.00 | A3 | 2,896,025 |
| 1,500 | 5.000%, 7/01/37 | 7/22 at 100.00 | A3 | 1,665,795 |

34 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Health Care (continued) | | | | |
| | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2011: | | | |
| \$ 3,000 | 5.000%, 7/01/25 | 7/18 at 100.00 | A | \$ 3,502,650 |
| 1,760 | 5.000%, 7/01/26 | 7/22 at 100.00 | A | 2,038,010 |
| 660 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2013A, 5.000%, 7/01/32 (WI/DD, Settling 5/08/13) | 7/23 at 100.00 | A | 755,924 |
| 3,545 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health, Series 2007-I, 5.000%, 7/01/38 AGC Insured | 7/18 at 100.00 | AA | 3,826,473 |
| | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, RWJ Health Care Corporation, Series 2005B: | | | |
| 1,495 | 5.000%, 7/01/25 RAAI Insured | 7/15 at 100.00 | N/R | 1,540,284 |
| 1,585 | 5.000%, 7/01/35 RAAI Insured | 7/15 at 100.00 | N/R | 1,618,697 |
| 3,160 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Refunding Series 2011A, 5.625%, 7/01/37 | 7/21 at 100.00 | BBB+ | 3,572,254 |
| 1,885 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Series 2006A, 5.000%, 7/01/29 | 1/17 at 100.00 | BBB+ | 1,981,154 |
| 2,300 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Joseph's Healthcare System Obligated Group Issue, Series 2008, 6.625%, 7/01/38 | 7/18 at 100.00 | BBB | 2,656,454 |
| 2,850 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Shore Memorial Health System, Series 2003, 5.000%, 7/01/23 RAAI Insured | 7/13 at 100.00 | N/R | 2,853,762 |
| 3,300 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003, 5.500%, 7/01/33 | 7/13 at 100.00 | Ba2 | 3,310,329 |
| | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, South Jersey Hospital System, Refunding Series 2006: | | | |
| 670 | 5.000%, 7/01/25 | 7/16 at 100.00 | A2 | 707,185 |
| 4,410 | 5.000%, 7/01/36 | 7/16 at 100.00 | A2 | 4,584,416 |
| 1,295 | 5.000%, 7/01/46 | 7/16 at 100.00 | A2 | 1,342,681 |
| 3,360 | Newark, New Jersey, GNMA Collateralized Healthcare Facility Revenue Bonds, New Community Urban Renewal Corporation, Series 2001A, 5.200%, 6/01/30 | 6/14 at 100.00 | Aa1 | 3,438,623 |
| 56,670 | Total Health Care | | | 61,283,326 |
| Housing/Multifamily 1.9% (1.3% of Total Investments) | | | | |
| | New Jersey Economic Development Authority, Student Housing Revenue Bonds, Provident Group-Montclair Properties LLC, Montclair State University Student Housing Project, Series 2010A: | | | |
| 1,830 | 5.750%, 6/01/31 | 6/20 at 100.00 | Baa3 | 2,095,625 |
| 1,050 | 5.875%, 6/01/42 | 6/20 at 100.00 | Baa3 | 1,196,087 |
| 2,743 | Newark Housing Authority, New Jersey, GNMA Collateralized Housing Revenue Bonds, Fairview Apartments Project, Series 2000A, 6.400%, 10/20/34 (Alternative Minimum Tax) | 10/13 at 100.00 | Aaa | 2,748,579 |
| 5,623 | Total Housing/Multifamily | | | 6,040,291 |
| Housing/Single Family 3.5% (2.5% of Total Investments) | | | | |
| 10,000 | New Jersey Housing and Mortgage Finance Agency, Single Family Home Mortgage Revenue Bonds, Series 2011A, 4.450%, 10/01/25 | 10/21 at 100.00 | Aa1 | 11,143,400 |
| 305 | New Jersey Housing and Mortgage Finance Agency, Single Family Housing Revenue Bonds, Series 2007T, 4.700%, 10/01/37 (Alternative Minimum Tax) | 4/17 at 100.00 | AA | 314,425 |
| 10,305 | Total Housing/Single Family | | | 11,457,825 |
| Long-Term Care 2.2% (1.6% of Total Investments) | | | | |
| 1,660 | Burlington County Bridge Commission, New Jersey, Economic Development Revenue Bonds, The Evergreens Project, Series 2007, 5.625%, 1/01/38 | 1/18 at 100.00 | N/R | 1,727,114 |
| 1,125 | New Jersey Economic Development Authority, First Mortgage Revenue Bonds, Winchester Gardens at Wards Homestead, Series 2004A, 5.750%, 11/01/24 | 11/14 at 100.00 | BBB | 1,152,833 |

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Long-Term Care (continued) | | | | |
| \$ 2,600 | New Jersey Economic Development Authority, GNMA Collateralized Mortgage Revenue Bonds, Victoria Health Corporation, Series 2001A, 5.200%, 12/20/36 | 12/14 at 100.00 | Aaa | \$ 2,655,380 |
| 595 | New Jersey Economic Development Authority, Revenue Bonds, Masonic Charity Foundation of New Jersey, Series 2001, 5.875%, 6/01/18 | 6/13 at 100.00 | A | 596,720 |
| 1,100 | New Jersey Economic Development Authority, Revenue Bonds, Masonic Charity Foundation of New Jersey, Series 2002, 5.250%, 6/01/32 | 6/13 at 102.00 | A | 1,123,210 |
| 7,080 | Total Long-Term Care | | | 7,255,257 |
| Tax Obligation/General 5.6% (3.9% of Total Investments) | | | | |
| 690 | Haddon Heights School District, Camden County, New Jersey, General Obligation Bonds, Refunding Series 2012, 3.250%, 1/01/30 | 1/23 at 100.00 | AA | 690,262 |
| 4,300 | Jersey City, New Jersey, General Obligation Bonds, Series 2006A, 5.000%, 9/01/22 AMBAC Insured | 9/16 at 100.00 | A2 | 4,814,237 |
| 930 | Middletown Township Board of Education, Monmouth County, New Jersey, Refunding Series 2010, 5.000%, 8/01/27 | 8/20 at 100.00 | AA | 1,098,525 |
| 670 | Monroe Township, Middlesex County, New Jersey, General Obligation Bonds, Series 2003, 3.000%, 1/15/33 | 1/22 at 100.00 | AA | 627,435 |
| 1,400 | Newark Housing Authority, New Jersey, City-Secured Police Facility Revenue Bonds, South Ward Police Facility, Series 2009A, 6.750%, 12/01/38 AGC Insured | 12/19 at 100.00 | A3 | 1,743,798 |
| 2,210 | Union County Utilities Authority, New Jersey, Resource Recovery Facility Lease Revenue Refunding Bonds, Covanta Union Inc. Lessee, Series 2011B, 5.250%, 12/01/31 (Alternative Minimum Tax) | 12/21 at 100.00 | AA+ | 2,472,880 |
| 2,515 | Union County Utilities Authority, New Jersey, Solid Waste System County Deficiency Revenue Bonds, Series 2011, 5.000%, 6/15/41 | 6/21 at 100.00 | AA+ | 2,887,924 |
| West Deptford Township, New Jersey, General Obligation Bonds, Series 2004: | | | | |
| 1,690 | 5.000%, 9/01/16 AMBAC Insured | 9/14 at 100.00 | A | 1,791,637 |
| 1,865 | 4.750%, 9/01/18 AMBAC Insured | 9/14 at 100.00 | A | 1,970,186 |
| 16,270 | Total Tax Obligation/General | | | 18,096,884 |
| Tax Obligation/Limited 34.9% (24.7% of Total Investments) | | | | |
| 1,775 | Bergen County Improvement Authority, New Jersey, Guaranteed Lease Revenue Bonds, County Administration Complex Project, Series 2005, 5.000%, 11/15/26 | No Opt. Call | Aaa | 2,352,141 |
| 1,965 | Essex County Improvement Authority, New Jersey, Project Consolidation Revenue Bonds, Series 2007, 5.250%, 12/15/22 AMBAC Insured | No Opt. Call | Aa2 | 2,533,651 |
| 1,145 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005A, 5.750%, 11/01/28 AGM Insured | No Opt. Call | AAA | 1,549,792 |
| 2,650 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005C, 5.125%, 11/01/18 AGM Insured | No Opt. Call | AAA | 3,241,507 |
| Government of Guam, Business Privilege Tax Bonds, Series 2011A: | | | | |
| 2,585 | 5.250%, 1/01/36 | 1/22 at 100.00 | A | 2,921,670 |
| 1,570 | 5.125%, 1/01/42 | 1/22 at 100.00 | A | 1,754,930 |
| 470 | Hudson County Improvement Authority, New Jersey, County Secured Lease Revenue Bonds, Hudson County Plaza Refunding Project, Series 2013, 3.250%, 4/01/35 | 4/22 at 100.00 | Aa3 | 461,944 |

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| 1,445 | Lower Township Municipal Utilities Authority, Cape May County, New Jersey, Revenue Bonds, Series 2003D, 5.000%, 12/01/16 FGIC Insured | 12/13 at 100.00 | N/R | 1,472,975 |
| 5,700 | New Jersey Building Authority, State Building Revenue Bonds, Series 2007A, 5.000%, 6/15/26 | 6/16 at 100.00 | A+ | 6,372,657 |
| | New Jersey Economic Development Authority, Cigarette Tax Revenue Refunding Bonds, Series 2012: | | | |
| 2,050 | 5.000%, 6/15/19 | No Opt. Call | BBB+ | 2,412,543 |
| 1,100 | 5.000%, 6/15/21 | No Opt. Call | BBB+ | 1,314,654 |
| 1,900 | 5.000%, 6/15/25 | 6/22 at 100.00 | BBB+ | 2,199,155 |

36 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Tax Obligation/Limited (continued) | | | | |
| \$ 4,675 | New Jersey Economic Development Authority, Lease Revenue Bonds, Liberty State Park Project, Series 2005C, 5.000%, 3/01/27 AGM Insured | 3/15 at 100.00 | AA | \$ 4,995,612 |
| 5,000 | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A, 5.250%, 7/01/15 NPFPG Insured | 7/14 at 100.00 | A | 5,289,600 |
| New Jersey Economic Development Authority, Revenue Bonds, Newark Downtown District Management Corporation Project, Series 2007: | | | | |
| 205 | 5.125%, 6/15/27 | 6/17 at 100.00 | Baa3 | 217,927 |
| 345 | 5.125%, 6/15/37 | 6/17 at 100.00 | Baa3 | 360,811 |
| 5,150 | New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Refunding Series 2013NN, 5.000%, 3/01/28 | 3/23 at 100.00 | A+ | 6,052,692 |
| New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Series 2007U: | | | | |
| 1,965 | 5.000%, 9/01/37 AMBAC Insured | 9/17 at 100.00 | A+ | 2,145,151 |
| 3,930 | 5.000%, 9/01/37 | 9/17 at 100.00 | A+ | 4,290,302 |
| 1,925 | New Jersey Educational Facilities Authority, Revenue Bonds, Higher Education Capital Improvement Fund, Refunding Series 2005A, 5.000%, 9/01/15 AGM Insured | No Opt. Call | AA | 2,119,983 |
| 850 | New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset Transformation Program, Series 2008A, 5.250%, 10/01/38 | 10/18 at 100.00 | A+ | 929,628 |
| New Jersey Transportation Trust Fund Authority, Federal Highway Aid Grant Anticipation Bonds, Series 2006: | | | | |
| 1,075 | 5.000%, 6/15/17 FGIC Insured | 6/16 at 100.00 | A1 | 1,214,965 |
| 1,900 | 5.000%, 6/15/18 FGIC Insured | 6/16 at 100.00 | A1 | 2,140,464 |
| 12,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/30 | No Opt. Call | A+ | 5,802,960 |
| 4,300 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Refunding Series 2006A, 5.500%, 12/15/22 | No Opt. Call | A+ | 5,498,711 |
| 4,200 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2004B, 5.500%, 12/15/16 NPFPG Insured | No Opt. Call | A+ | 4,907,112 |
| New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C: | | | | |
| 10,000 | 0.000%, 12/15/32 AGM Insured | No Opt. Call | AA | 4,244,300 |
| 15,355 | 0.000%, 12/15/33 AGM Insured | No Opt. Call | AA | 6,188,372 |
| 15,310 | 0.000%, 12/15/34 AGM Insured | No Opt. Call | AA | 5,866,944 |
| 2,500 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2007A, 5.000%, 12/15/26 AMBAC Insured | 12/17 at 100.00 | A+ | 2,891,850 |
| 4,100 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2010D, 5.000%, 12/15/24 | No Opt. Call | A+ | 5,112,986 |
| 1,820 | Passaic County Improvement Authority, New Jersey, Lease Revenue Bonds, Preakness Healthcare Center Expansion Project, Series 2012, 3.500%, 5/01/35 | 5/22 at 100.00 | Aa3 | 1,826,297 |
| 1,315 | Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Revenue Bonds, Series 2006A, 4.500%, 7/01/36 CIFG Insured | 7/16 at 100.00 | BBB+ | 1,174,690 |
| 2,000 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010C, 6.000%, 8/01/39 | 8/20 at 100.00 | A+ | 2,205,180 |
| 3,750 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2011A-1, 5.000%, 8/01/43 | 8/21 at 100.00 | A+ | 3,837,563 |
| 1,850 | Union County Improvement Authority, New Jersey, Lease Revenue Refunding Bonds, City of Plainfield Park Madison Redevelopment Project, Tender Option Trust 1145, 17.604%, 3/01/34 (IF) (4) | No Opt. Call | AA+ | 3,650,735 |
| 1,650 | Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Subordinate Lien Series 2010B, 5.250%, 10/01/29 | 10/20 at 100.00 | Baa2 | 1,817,376 |
| 131,525 | Total Tax Obligation/Limited | | | 113,369,830 |

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|--------------|
| Transportation 25.7% (18.1% of Total Investments) | | | | |
| \$ 2,250 | Casino Reinvestment Development Authority, New Jersey, Parking Revenue Bonds, Series 2005A, 5.250%, 6/01/20 NPFPG Insured | 6/15 at 100.00 | A | \$ 2,390,670 |
| Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2005: | | | | |
| 2,000 | 5.000%, 1/01/25 NPFPG Insured | 1/15 at 100.00 | A1 | 2,138,480 |
| 4,050 | 5.000%, 1/01/26 NPFPG Insured | 1/15 at 100.00 | A1 | 4,294,175 |
| 1,500 | 5.000%, 1/01/27 NPFPG Insured | 1/15 at 100.00 | A1 | 1,589,415 |
| Delaware River Joint Toll Bridge Commission, Pennsylvania, Revenue Bonds, Refunding Series 2012A: | | | | |
| 1,115 | 5.000%, 7/01/24 | 7/22 at 100.00 | A2 | 1,347,199 |
| 650 | 4.000%, 7/01/26 | 7/22 at 100.00 | A2 | 715,715 |
| Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E: | | | | |
| 1,000 | 5.000%, 1/01/40 AGM Insured | 1/20 at 100.00 | AA | 1,117,800 |
| 3,300 | 5.000%, 1/01/40 | 1/20 at 100.00 | A | 3,688,740 |
| Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012: | | | | |
| 540 | 5.000%, 1/01/25 | No Opt. Call | BBB | 625,379 |
| 1,350 | 5.000%, 1/01/26 | No Opt. Call | BBB | 1,548,855 |
| New Brunswick Parking Authority, Middlesex County, New Jersey, Guaranteed Parking Revenue Bonds, Refunding Series 2012: | | | | |
| 240 | 5.000%, 9/01/28 | 9/22 at 100.00 | A+ | 280,848 |
| 610 | 5.000%, 9/01/29 | 9/22 at 100.00 | A+ | 709,485 |
| 3,000 | New Jersey Economic Development Authority, Revenue Bonds, American Airlines Inc., Series 1991, 7.100%, 11/01/31 (Alternative Minimum Tax) (5) | 11/13 at 100.00 | N/R | 2,999,970 |
| 650 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 1999, 5.125%, 9/15/23 (Alternative Minimum Tax) | 9/13 at 100.00 | B | 685,003 |
| 1,125 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 1999, 5.250%, 9/15/29 (Alternative Minimum Tax) | 8/22 at 101.00 | B | 1,185,390 |
| 3,405 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2005A, 5.000%, 9/15/18 FGIC Insured | 9/15 at 100.00 | A2 | 3,716,149 |
| 105 | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C, 6.500%, 1/01/16 NPFPG Insured | No Opt. Call | A+ | 120,956 |
| 1,265 | New Jersey Turnpike Authority, Revenue Bonds, Series 2005A, 5.250%, 1/01/29 AGM Insured | No Opt. Call | AA | 1,632,520 |
| 4,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2009I, 5.000%, 1/01/35 | 1/20 at 100.00 | A+ | 4,468,640 |
| 2,380 | New Jersey Turnpike Authority, Revenue Bonds, Series 2012B, 5.000%, 1/01/28 | 1/23 at 100.00 | A+ | 2,799,808 |
| 1,500 | New Jersey Turnpike Authority, Revenue Bonds, Tender Option Bond Trust 1154, 17.041%, 1/01/43 (IF) (4) | 7/22 at 100.00 | A+ | 2,191,395 |
| 1,260 | Passaic County Improvement Authority, New Jersey, County Guaranteed Parking Revenue Bonds, 200 Hospital Plaza Project, Series 2010, 5.000%, 5/01/42 | 5/20 at 100.00 | Aa3 | 1,413,455 |
| Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Fortieth Series 2005: | | | | |
| 7,000 | 5.000%, 12/01/28 SYNCORA GTY Insured | 6/15 at 101.00 | AA | 7,632,660 |
| 3,000 | 5.000%, 12/01/34 | 6/15 at 101.00 | AA | 3,242,100 |

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| | | | | |
|--------|--|----------------|------|------------|
| 1,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Forty Eighth Series 2008, Trust 2920, 17.512%, 8/15/32 AGM Insured (IF) | 8/17 at 100.00 | AA | 1,546,280 |
| 4,600 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Seventy Seventh Series 2013, 4.000%, 1/15/43 (Alternative Minimum Tax) | 1/23 at 100.00 | AA | 4,653,360 |
| 2,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Thirty-Fourth Series 2004, 5.000%, 7/15/34 | 1/14 at 101.00 | AA | 2,075,860 |
| | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997: | | | |
| 6,605 | 5.750%, 12/01/22 NPFPG Insured (Alternative Minimum Tax) | 6/13 at 100.00 | BBB | 6,630,561 |
| 12,130 | 5.750%, 12/01/25 NPFPG Insured (Alternative Minimum Tax) | 6/13 at 100.00 | Baa2 | 12,176,943 |

38 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Transportation (continued) | | | | |
| South Jersey Transportation Authority, New Jersey, Transportation System Revenue Bonds, Series 2012: | | | | |
| \$ 2,000 | 5.000%, 11/01/20 | No Opt. Call | A | \$ 2,408,560 |
| 1,000 | 5.000%, 11/01/22 | No Opt. Call | A | 1,222,110 |
| 76,630 | Total Transportation | | | 83,248,481 |
| U.S. Guaranteed 19.3% (13.6% of Total Investments) (6) | | | | |
| Gloucester County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2005A: | | | | |
| 1,000 | 5.000%, 9/01/21 (Pre-refunded 9/01/15) NPFPG Insured | 9/15 at 100.00 | AA+ (6) | 1,107,130 |
| 1,420 | 5.000%, 9/01/22 (Pre-refunded 9/01/15) NPFPG Insured | 9/15 at 100.00 | AA+ (6) | 1,572,125 |
| Hudson County Improvement Authority, New Jersey, County Secured Lease Revenue Bonds, County Services Building Project, Series 2005: | | | | |
| 1,090 | 5.000%, 4/01/25 (Pre-refunded 4/01/15) AMBAC Insured | 4/15 at 100.00 | AA (6) | 1,187,533 |
| 2,525 | 5.000%, 4/01/35 (Pre-refunded 4/01/15) AMBAC Insured | 4/15 at 100.00 | AA (6) | 2,750,937 |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004: | | | | |
| 2,500 | 5.750%, 6/15/29 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 2,652,525 |
| 5,750 | 5.750%, 6/15/34 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 6,100,808 |
| 1,925 | New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2005B, 5.000%, 7/01/30 (Pre-refunded 7/01/16) NPFPG Insured | 7/16 at 100.00 | A (6) | 2,192,787 |
| 1,380 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/22 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | N/R (6) | 1,457,418 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2005F: | | | | |
| 2,000 | 5.000%, 7/01/18 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | A1 (6) | 2,197,820 |
| 1,175 | 5.000%, 7/01/32 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | A1 (6) | 1,291,219 |
| New Jersey Educational Facilities Authority, Revenue Bonds, New Jersey Institute of Technology, Series 2004B: | | | | |
| 1,260 | 5.000%, 7/01/19 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (6) | 1,299,791 |
| 2,510 | 4.750%, 7/01/20 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (6) | 2,585,074 |
| 185 | 4.250%, 7/01/24 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (6) | 189,914 |
| 610 | New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2004A, 5.500%, 7/01/23 (Pre-refunded 7/01/14) RAAI Insured | 7/14 at 100.00 | BBB+ (6) | 646,887 |
| 1,300 | New Jersey Educational Facilities Authority, Revenue Bonds, Rowan University, Series 2003I, 5.125%, 7/01/21 (Pre-refunded 7/01/13) FGIC Insured | 7/13 at 100.00 | A+ (6) | 1,310,829 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rowan University, Series 2004C: | | | | |
| 1,195 | 5.000%, 7/01/20 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | A+ (6) | 1,260,295 |
| 1,875 | 5.000%, 7/01/24 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | A+ (6) | 1,977,450 |
| 1,430 | New Jersey Educational Facilities Authority, Revenue Bonds, William Paterson University, Series 2004A, 5.125%, 7/01/21 (Pre-refunded 7/01/14) FGIC Insured | 7/14 at 100.00 | AA (6) | 1,509,351 |
| 2,500 | New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2003, 5.000%, 9/15/25 (Pre-refunded 9/15/13) | 9/13 at 100.00 | A+ (6) | 2,544,250 |
| New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2005: | | | | |
| 2,885 | 5.000%, 9/15/18 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (6) | 3,196,061 |
| 4,455 | 5.000%, 9/15/24 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (6) | 4,935,338 |
| 2,840 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Capital Health System Obligated Group, Series 2003A, 5.375%, 7/01/33 (Pre-refunded 7/01/13) | 7/13 at 100.00 | N/R (6) | 2,864,566 |
| 1,690 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, St. Clare s Hospital, Series 2004A, 5.250%, 7/01/20 RAAI Insured (ETM) | No Opt. Call | N/R (6) | 2,125,783 |
| 3,890 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2005D, 5.000%, 6/15/19 (Pre-refunded 6/15/15) AGM Insured | 6/15 at 100.00 | AA (6) | 4,267,174 |

Nuveen New Jersey Investment Quality Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| U.S. Guaranteed (6) (continued) | | | | |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| \$ 55 | 6.500%, 1/01/16 NPF Insured (ETM) | No Opt. Call | A (6) | \$ 63,843 |
| 170 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (6) | 197,482 |
| 55 | 6.500%, 1/01/16 NPF Insured (ETM) | No Opt. Call | A+ (6) | 63,891 |
| 1,555 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (6) | 1,675,154 |
| 1,250 | Newark Housing Authority, New Jersey, Port Authority Terminal Revenue Bonds, Series 2004, 5.250%, 1/01/21 (Pre-refunded 1/01/14) NPF Insured | 1/14 at 100.00 | N/R (6) | 1,291,474 |
| 1,625 | Passaic County Improvement Authority, New Jersey, Lease Revenue Bonds, Preakness Healthcare Center Project, Series 2005, 5.000%, 5/01/30 (Pre-refunded 5/01/15) AMBAC Insured | 5/15 at 100.00 | Aa3 (6) | 1,775,165 |
| 2,095 | Puerto Rico Housing Finance Corporation, Mortgage-Backed Securities Home Mortgage Revenue Bonds, Series 2001A, 5.200%, 12/01/33 (Pre-refunded 6/01/13) | 6/13 at 100.00 | Aaa | 2,103,925 |
| 2,090 | Puerto Rico Housing Finance Corporation, Mortgage-Backed Securities Home Mortgage Revenue Bonds, Series 2001B, 5.300%, 12/01/28 (Pre-refunded 6/01/13) (Alternative Minimum Tax) | 6/13 at 100.00 | Aaa | 2,097,879 |
| 58,285 | Total U.S. Guaranteed | | | 62,491,878 |
| Utilities 1.1% (0.8% of Total Investments) | | | | |
| 395 | Guam Power Authority, Revenue Bonds, Series 2012A, 5.000%, 10/01/34 | 10/22 at 100.00 | BBB | 438,501 |
| 2,055 | Mercer County Improvement Authority, New Jersey, Solid Waste Revenue Bonds, Regional Sludge Project, Series 2003, 5.000%, 12/15/14 FGIC Insured | 12/13 at 100.00 | AA+ | 2,115,602 |
| 1,000 | New Jersey Economic Development Authority, Energy Facilities Revenue Bonds, UMM Energy Partners, LLC Project, Series 2012A, 4.750%, 6/15/32 (Alternative Minimum Tax) | No Opt. Call | Baa3 | 1,060,360 |
| 3,450 | Total Utilities | | | 3,614,463 |
| Water and Sewer 7.4% (5.3% of Total Investments) | | | | |
| Lacey Municipal Utilities Authority, Ocean County, New Jersey, Water Revenue Bonds, Series 2003B: | | | | |
| 1,750 | 5.000%, 12/01/17 FGIC Insured | 12/13 at 100.00 | N/R | 1,780,800 |
| 1,835 | 5.000%, 12/01/18 FGIC Insured | 12/13 at 100.00 | N/R | 1,865,002 |
| 1,000 | 5.000%, 12/01/19 FGIC Insured | 12/13 at 100.00 | N/R | 1,015,400 |
| New Jersey Economic Development Authority, Water Facilities Revenue Bonds, Middlesex Water Company, Series 2012C: | | | | |
| 270 | 5.000%, 10/01/23 | No Opt. Call | A | 329,497 |
| 6,495 | 4.250%, 10/01/47 (Alternative Minimum Tax) | 10/22 at 100.00 | A | 6,583,657 |
| 3,000 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010B, 5.600%, 11/01/34 (Alternative Minimum Tax) | 5/20 at 100.00 | A | 3,413,220 |
| 1,080 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010D, 4.875%, 11/01/29 (Alternative Minimum Tax) | 11/20 at 100.00 | A | 1,180,224 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|----------------|
| Water and Sewer (continued) | | | | |
| \$ 2,905 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Tender Option Bond Trust 4729, 7.318%, 9/01/21 (IF) (4) | No Opt. Call | AAA | \$ 4,035,219 |
| North Hudson Sewerage Authority, New Jersey, Gross Revenue Senior Lien Lease Certificates, Series 2012A: | | | | |
| 1,650 | 5.000%, 6/01/27 NPFPG Insured | 6/22 at 100.00 | A | 1,924,511 |
| 1,725 | 5.000%, 6/01/42 NPFPG Insured | 6/22 at 100.00 | A | 1,945,610 |
| 21,710 | Total Water and Sewer | | | 24,073,140 |
| \$ 453,778 | Total Investments (cost \$425,722,228) 141.5% | | | 459,172,219 |
| | Variable Rate Demand Preferred Shares, at Liquidation Value (44.5)% (7) | | | (144,300,000) |
| | Other Assets Less Liabilities 3.0% | | | 9,727,510 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 324,599,729 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
 - (5) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
 - (6) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (7) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.4%.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

Nuveen New Jersey Premium Income Municipal Fund, Inc.

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Consumer Discretionary 0.3% (0.2% of Total Investments) | | | | |
| Middlesex County Improvement Authority, New Jersey, Senior Revenue Bonds, Heldrich Center Hotel/Conference Center Project, Series 2005A: | | | | |
| \$ 480 | 5.000%, 1/01/32 | 1/15 at 100.00 | Caa1 | \$ 292,968 |
| 415 | 5.125%, 1/01/37 | 1/15 at 100.00 | Caa1 | 253,482 |
| 895 | Total Consumer Discretionary | | | 546,450 |
| Consumer Staples 4.9% (3.4% of Total Investments) | | | | |
| Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A: | | | | |
| 755 | 4.500%, 6/01/23 | 6/17 at 100.00 | B1 | 755,529 |
| 7,620 | 4.750%, 6/01/34 | 6/17 at 100.00 | B2 | 6,712,381 |
| 2,345 | 5.000%, 6/01/41 | 6/17 at 100.00 | B2 | 2,095,281 |
| 10,720 | Total Consumer Staples | | | 9,563,191 |
| Education and Civic Organizations 14.4% (10.2% of Total Investments) | | | | |
| 1,125 | New Jersey Economic Development Authority, Revenue Bonds, The Seeing Eye Inc., Series 2005, 5.000%, 12/01/24 AMBAC Insured | 6/15 at 100.00 | N/R | 1,184,209 |
| 500 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2002D, 5.250%, 7/01/32 ACA Insured | 7/13 at 100.00 | BBB | 501,235 |
| 300 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2004C, 5.500%, 7/01/23 | 7/14 at 100.00 | BBB | 308,367 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2007D: | | | | |
| 2,090 | 5.000%, 7/01/32 FGIC Insured | 7/17 at 100.00 | A2 | 2,325,857 |
| 3,350 | 5.000%, 7/01/39 FGIC Insured | 7/17 at 100.00 | A2 | 3,663,828 |
| 100 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/19 NPMF Insured | 7/14 at 100.00 | AA | 104,873 |
| 970 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2006A, 5.000%, 7/01/36 AMBAC Insured | 7/16 at 100.00 | AA | 1,061,102 |
| 1,000 | New Jersey Educational Facilities Authority, Revenue Bonds, Passaic County Community College, Series 2010C, 5.375%, 7/01/41 | 7/20 at 100.00 | A2 | 1,140,030 |
| 1,335 | New Jersey Educational Facilities Authority, Revenue Bonds, Princeton University, Tender Option Bond Trust 3922, 13.571%, 7/01/19 (IF) | No Opt. Call | AAA | 2,071,907 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2004H: | | | | |
| 1,640 | 5.000%, 7/01/18 FGIC Insured | 7/14 at 100.00 | A | 1,724,657 |
| 1,040 | 5.000%, 7/01/23 FGIC Insured | 7/14 at 100.00 | A | 1,091,678 |
| 275 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2012B, 5.000%, 7/01/37 | 7/22 at 100.00 | A | 312,766 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2012A: | | | | |
| 260 | 5.000%, 7/01/32 | 7/21 at 100.00 | BBB+ | 287,589 |

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|-------|---|-----------------|------|-----------|
| 170 | 5.000%, 7/01/37 | 7/21 at 100.00 | BBB+ | 186,140 |
| 300 | New Jersey Educational Facilities Authority, Revenue Refunding Bonds, College of New Jersey, Series 2012A, 5.000%, 7/01/19 | No Opt. Call | AA | 362,439 |
| 2,000 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2008A, 6.125%, 6/01/30 AGC Insured (Alternative Minimum Tax) | 6/18 at 100.00 | AA | 2,219,480 |
| 445 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-1A, 5.000%, 12/01/25 | 12/19 at 100.00 | AA | 494,680 |
| 270 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-2, 5.000%, 12/01/30 | 12/20 at 100.00 | Aa3 | 299,714 |
| 350 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2011-1, 5.750%, 12/01/27 (Alternative Minimum Tax) | 12/21 at 100.00 | Aa3 | 401,986 |
| 1,925 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2012-1A, 4.375%, 12/01/26 (Alternative Minimum Tax) | 12/22 at 100.00 | AA | 2,030,991 |

42 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Education and Civic Organizations (continued) | | | | |
| \$ 550 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Tender Option Bond Trust PA-4643, 19.910%, 6/01/30 (IF) (4) | 6/19 at 100.00 | AA | \$ 831,820 |
| 2,025 | University of Medicine and Dentistry of New Jersey, Certificates of Participation, Child Health Institute, LLC, Series 2003, 5.000%, 4/15/21 AMBAC Insured | 10/13 at 100.00 | BBB+ | 2,029,151 |
| 1,000 | University of Medicine and Dentistry of New Jersey, Certificates of Participation, University Housing Associates, LLC, Series 2004, 5.000%, 6/15/29 NPFQ Insured | 6/14 at 100.00 | BBB+ | 1,017,640 |
| 2,750 | University of Medicine and Dentistry of New Jersey, Revenue Bonds, Series 2002A, 5.000%, 12/01/31 AMBAC Insured | 6/13 at 100.00 | A | 2,757,508 |
| 25,770 | Total Education and Civic Organizations | | | 28,409,647 |
| Financials 0.8% (0.6% of Total Investments) | | | | |
| 1,500 | New Jersey Economic Development Authority, Revenue Refunding Bonds, Kapkowski Road Landfill Project, Series 2002, 5.750%, 10/01/21 | No Opt. Call | Ba2 | 1,663,965 |
| Health Care 17.0% (12.0% of Total Investments) | | | | |
| 25 | Camden County Improvement Authority, New Jersey, Healthcare Revenue Bonds, Cooper Health System, Series 2005B, 5.250%, 2/15/27 | 2/15 at 100.00 | BBB | 26,059 |
| 620 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2004A, 5.750%, 2/15/34 | 8/14 at 100.00 | BBB | 650,541 |
| 690 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2005A, 5.000%, 2/15/25 | 2/15 at 100.00 | BBB | 716,965 |
| 1,375 | New Jersey Health Care Facilities Finance Authority, Revenue Bonds, AHS Hospital Corporation, Series 2008A, 5.000%, 7/01/27 | 7/18 at 100.00 | A1 | 1,496,454 |
| 695 | New Jersey Health Care Facilities Financing Authority, Hospital Revenue Bonds, Virtua Health, Tender Option Bond Trust 3018, 19.102%, 7/01/38 AGC Insured (IF) (4) | 7/19 at 100.00 | AA | 1,008,306 |
| New Jersey Health Care Facilities Financing Authority, New Jersey, Revenue Bonds, Saint Peters University Hospital, Refunding Series 2011: | | | | |
| 1,150 | 6.000%, 7/01/26 | 7/21 at 100.00 | BB+ | 1,342,464 |
| 1,000 | 6.250%, 7/01/35 | 7/21 at 100.00 | BB+ | 1,176,380 |
| 300 | New Jersey Health Care Facilities Financing Authority, Revenue and Refunding Bonds, Barnabas Health, Series 2012A, 5.000%, 7/01/24 | No Opt. Call | BBB+ | 352,245 |
| 1,615 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Atlanticare Regional Medical Center, Series 2007, 5.000%, 7/01/37 | 7/17 at 100.00 | A+ | 1,703,341 |
| 240 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Children's Specialized Hospital, Series 2005A, 5.500%, 7/01/36 | 7/15 at 100.00 | BBB | 246,115 |
| 700 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006B, 5.000%, 7/01/36 | 7/16 at 100.00 | A | 721,553 |
| 375 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006, 5.125%, 7/01/35 | 7/16 at 100.00 | A | 389,400 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Kennedy Health System Obligated Group Issue, Refunding Series 2012: | | | | |
| 1,800 | 3.750%, 7/01/27 | No Opt. Call | A3 | 1,869,300 |
| 300 | 5.000%, 7/01/31 | 7/22 at 100.00 | A3 | 337,401 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2011: | | | | |
| 220 | 5.000%, 7/01/26 | 7/22 at 100.00 | A | 254,751 |
| 2,500 | 5.000%, 7/01/27 | 7/22 at 100.00 | A | 2,877,575 |
| 400 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2013A, 5.000%, 7/01/32 (WI/DD, Settling 5/08/13) | 7/23 at 100.00 | A | 458,136 |
| 2,125 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health, Series 2007-I, 5.000%, 7/01/38 AGC Insured | 7/18 at 100.00 | AA | 2,293,725 |

Nuveen New Jersey Premium Income Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Health Care (continued) | | | | |
| \$ 465 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Palisades Medical Center of New York Presbyterian Healthcare System, Series 2002, 6.625%, 7/01/31 | 7/13 at 100.00 | BB+ | \$ 465,846 |
| 1,165 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, RWJ Health Care Corporation, Series 2005B, 5.000%, 7/01/35 RAAI Insured | 7/15 at 100.00 | N/R | 1,189,768 |
| 1,790 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Refunding Series 2011A, 5.625%, 7/01/37 | 7/21 at 100.00 | BBB+ | 2,023,523 |
| 1,160 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Series 2006A, 5.000%, 7/01/29 | 1/17 at 100.00 | BBB+ | 1,219,172 |
| 1,500 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Joseph's Healthcare System Obligated Group Issue, Series 2008, 6.625%, 7/01/38 | 7/18 at 100.00 | BBB | 1,732,470 |
| 1,675 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Shore Memorial Health System, Series 2003, 5.000%, 7/01/23 RAAI Insured | 7/13 at 100.00 | N/R | 1,677,211 |
| 2,010 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003, 5.500%, 7/01/33 | 7/13 at 100.00 | Ba2 | 2,016,291 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, South Jersey Hospital System, Refunding Series 2006: | | | | |
| 1,250 | 5.000%, 7/01/36 | 7/16 at 100.00 | A2 | 1,299,438 |
| 1,155 | 5.000%, 7/01/46 | 7/16 at 100.00 | A2 | 1,197,527 |
| 2,650 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Adjustable Rate Industrial Revenue Bonds, American Home Products Corporation, Series 1983A, 5.100%, 12/01/18 | 6/13 at 100.00 | A1 | 2,692,612 |
| 30,950 | Total Health Care | | | 33,434,569 |
| Housing/Multifamily 3.3% (2.3% of Total Investments) | | | | |
| 325 | Essex County Improvement Authority, New Jersey, FNMA Enhanced Multifamily Revenue Bonds, Mount Carmel Towers, Series 2002, 4.750%, 11/01/22 (Alternative Minimum Tax) | 5/13 at 100.00 | Aa1 | 325,468 |
| New Jersey Economic Development Authority, Student Housing Revenue Bonds, Provident Group-Montclair Properties LLC, Montclair State University Student Housing Project, Series 2010A: | | | | |
| 1,100 | 5.750%, 6/01/31 | 6/20 at 100.00 | Baa3 | 1,259,665 |
| 550 | 5.875%, 6/01/42 | 6/20 at 100.00 | Baa3 | 626,522 |
| New Jersey Housing and Mortgage Finance Agency, Multifamily Housing Revenue Bonds, Series 2013-2: | | | | |
| 2,125 | 4.350%, 11/01/33 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 2,181,610 |
| 1,065 | 4.600%, 11/01/38 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 1,077,684 |
| 1,065 | 4.750%, 11/01/46 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 1,075,501 |
| 6,230 | Total Housing/Multifamily | | | 6,546,450 |
| Housing/Single Family 2.5% (1.8% of Total Investments) | | | | |
| 4,000 | New Jersey Housing and Mortgage Finance Agency, Single Family Home Mortgage Revenue Bonds, Series 2011A, 4.650%, 10/01/29 | 4/21 at 100.00 | Aa1 | 4,426,400 |
| 520 | New Jersey Housing and Mortgage Finance Agency, Single Family Housing Revenue Bonds, Series 2007T, 4.700%, 10/01/37 (Alternative Minimum Tax) | 4/17 at 100.00 | AA | 536,068 |
| 4,520 | Total Housing/Single Family | | | 4,962,468 |

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Long-Term Care 1.4% (1.0% of Total Investments)

| | | | | |
|-------|--|-----------------|-----|-----------|
| 970 | Burlington County Bridge Commission, New Jersey, Economic Development Revenue Bonds, The Evergreens Project, Series 2007, 5.625%, 1/01/38 | 1/18 at 100.00 | N/R | 1,009,217 |
| 750 | New Jersey Economic Development Authority, First Mortgage Revenue Bonds, Winchester Gardens at Wards Homestead, Series 2004A, 5.800%, 11/01/31 | 11/14 at 100.00 | BBB | 766,523 |
| 1,000 | New Jersey Economic Development Authority, Revenue Bonds, Masonic Charity Foundation of New Jersey, Series 2001, 5.500%, 6/01/21 | 6/13 at 100.00 | A | 1,001,920 |
| 2,720 | Total Long-Term Care | | | 2,777,660 |

44 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Tax Obligation/General 5.9% (4.1% of Total Investments) | | | | |
| \$ 2,250 | Freehold Regional High School District, Monmouth County, New Jersey, General Obligation Bonds, Refunding Series 2001, 5.000%, 3/01/17 FGIC Insured | No Opt. Call | AA | \$ 2,609,573 |
| 2,500 | Jersey City, New Jersey, General Obligation Bonds, Series 2006A, 5.000%, 9/01/22 AMBAC Insured | 9/16 at 100.00 | A2 | 2,798,975 |
| 555 | Middletown Township Board of Education, Monmouth County, New Jersey, Refunding Series 2010, 5.000%, 8/01/27 | 8/20 at 100.00 | AA | 655,572 |
| 1,475 | Union County Utilities Authority, New Jersey, Resource Recovery Facility Lease Revenue Refunding Bonds, Covanta Union Inc. Lessee, Series 2011B, 5.250%, 12/01/31 (Alternative Minimum Tax) | 12/21 at 100.00 | AA+ | 1,650,451 |
| 1,485 | Washington Township Board of Education, Mercer County, New Jersey, General Obligation Bonds, Series 2005, 5.250%, 1/01/27 AGM Insured | No Opt. Call | Aa3 | 1,938,237 |
| 1,780 | West Deptford Township, New Jersey, General Obligation Bonds, Series 2004, 4.750%, 9/01/17 AMBAC Insured | 9/14 at 100.00 | A | 1,880,392 |
| 10,045 | Total Tax Obligation/General | | | 11,533,200 |
| Tax Obligation/Limited 37.5% (26.4% of Total Investments) | | | | |
| 1,000 | Bergen County Improvement Authority, New Jersey, Guaranteed Lease Revenue Bonds, County Administration Complex Project, Series 2005, 5.000%, 11/15/26 | No Opt. Call | Aaa | 1,325,150 |
| 5,385 | Essex County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2003, 5.125%, 12/15/19 AGM Insured | 12/13 at 100.00 | Aa2 | 5,543,156 |
| 1,155 | Essex County Improvement Authority, New Jersey, Project Consolidation Revenue Bonds, Series 2007, 5.250%, 12/15/22 AMBAC Insured | No Opt. Call | Aa2 | 1,489,245 |
| 3,000 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2003B, 0.000%, 11/01/25 AGM Insured | No Opt. Call | AAA | 2,121,630 |
| 1,000 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005A, 5.750%, 11/01/28 AGM Insured | No Opt. Call | AAA | 1,353,530 |
| 1,225 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005C, 5.125%, 11/01/18 AGM Insured | No Opt. Call | AAA | 1,498,432 |
| Government of Guam, Business Privilege Tax Bonds, Series 2011A: | | | | |
| 1,835 | 5.250%, 1/01/36 | 1/22 at 100.00 | A | 2,073,990 |
| 1,185 | 5.125%, 1/01/42 | 1/22 at 100.00 | A | 1,324,581 |
| 640 | Hudson County Improvement Authority, New Jersey, County Secured Lease Revenue Bonds, Hudson County Plaza Refunding Project, Series 2013, 3.250%, 4/01/35 | 4/22 at 100.00 | Aa3 | 629,030 |
| 3,450 | New Jersey Building Authority, State Building Revenue Bonds, Series 2007A, 5.000%, 6/15/25 | 6/16 at 100.00 | A+ | 3,857,135 |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Refunding Bonds, Series 2012: | | | | |
| 1,050 | 5.000%, 6/15/19 | No Opt. Call | BBB+ | 1,235,693 |
| 1,100 | 5.000%, 6/15/26 | 6/22 at 100.00 | BBB+ | 1,262,272 |
| 3,200 | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A, 5.250%, 7/01/15 NPFJ Insured | 7/14 at 100.00 | A | 3,385,344 |
| New Jersey Economic Development Authority, Revenue Bonds, Newark Downtown District Management Corporation Project, Series 2007: | | | | |
| 120 | 5.125%, 6/15/27 | 6/17 at 100.00 | Baa3 | 127,567 |
| 205 | 5.125%, 6/15/37 | 6/17 at 100.00 | Baa3 | 214,395 |
| 3,600 | New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Refunding Series 2013NN, 5.000%, 3/01/22 | No Opt. Call | A+ | 4,445,676 |
| New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Series 2007U: | | | | |
| 1,155 | 5.000%, 9/01/37 AMBAC Insured | 9/17 at 100.00 | A+ | 1,260,890 |
| 2,310 | 5.000%, 9/01/37 | 9/17 at 100.00 | A+ | 2,521,781 |
| 505 | | 10/18 at 100.00 | A+ | 552,308 |

New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset
Transformation Program, Series 2008A, 5.250%, 10/01/38

Nuveen New Jersey Premium Income Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Tax Obligation/Limited (continued) | | | | |
| \$ 1,500 | New Jersey Sports and Exposition Authority, Convention Center Luxury Tax Bonds, Series 2004, 5.500%, 3/01/22 NPFPG Insured | No Opt. Call | Baa2 | \$ 1,835,490 |
| New Jersey Transportation Trust Fund Authority, Federal Highway Aid Grant Anticipation Bonds, Series 2006: | | | | |
| 400 | 5.000%, 6/15/17 FGIC Insured | 6/16 at 100.00 | A1 | 452,080 |
| 715 | 5.000%, 6/15/18 FGIC Insured | 6/16 at 100.00 | A1 | 805,490 |
| 12,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/30 | No Opt. Call | A+ | 5,802,959 |
| 1,700 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Refunding Series 2006A, 5.500%, 12/15/22 | No Opt. Call | A+ | 2,173,909 |
| 2,600 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2004B, 5.500%, 12/15/16 NPFPG Insured | No Opt. Call | A+ | 3,037,736 |
| New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C: | | | | |
| 6,000 | 0.000%, 12/15/32 AGM Insured | No Opt. Call | AA | 2,546,580 |
| 12,000 | 0.000%, 12/15/33 AGM Insured | No Opt. Call | AA | 4,836,239 |
| 4,000 | 0.000%, 12/15/34 AGM Insured | No Opt. Call | AA | 1,532,840 |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2007A, 5.000%, 12/15/26 AMBAC Insured | 12/17 at 100.00 | A+ | 4,626,960 |
| 800 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2010D, 5.000%, 12/15/24 | No Opt. Call | A+ | 997,656 |
| 1,130 | Passaic County Improvement Authority, New Jersey, Lease Revenue Bonds, Preakness Healthcare Center Expansion Project, Series 2012, 3.500%, 5/01/35 | 5/22 at 100.00 | Aa3 | 1,133,910 |
| 780 | Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Revenue Bonds, Series 2006A, 4.500%, 7/01/36 CIFG Insured | 7/16 at 100.00 | BBB+ | 696,774 |
| 3,750 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2011A-1, 5.000%, 8/01/43 | 8/21 at 100.00 | A+ | 3,837,563 |
| 1,125 | Union County Improvement Authority, New Jersey, Lease Revenue Refunding Bonds, City of Plainfield Park Madison Redevelopment Project, Tender Option Trust 1145, 17.604%, 3/01/34 (IF) (4) | No Opt. Call | AA+ | 2,220,041 |
| 1,000 | Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Subordinate Lien Series 2010B, 5.250%, 10/01/29 | 10/20 at 100.00 | Baa2 | 1,101,440 |
| 86,620 | Total Tax Obligation/Limited | | | 73,859,472 |
| Transportation 24.3% (17.1% of Total Investments) | | | | |
| 3,000 | Casino Reinvestment Development Authority, New Jersey, Parking Revenue Bonds, Series 2005A, 5.250%, 6/01/20 NPFPG Insured | 6/15 at 100.00 | A | 3,187,560 |
| 2,500 | Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2005, 5.000%, 1/01/27 NPFPG Insured | 1/15 at 100.00 | A1 | 2,649,025 |
| 1,600 | Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2012A, 5.000%, 1/01/42 | 1/23 at 100.00 | A1 | 1,850,080 |
| 1,105 | Delaware River Joint Toll Bridge Commission, Pennsylvania, Revenue Bonds, Refunding Series 2012A, 5.000%, 7/01/25 | 7/22 at 100.00 | A2 | 1,327,580 |

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| | | | | |
|-------|--|----------------|-----|-----------|
| 500 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 558,900 |
| 1,095 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/25 | No Opt. Call | BBB | 1,268,130 |
| 350 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 1999, 5.125%, 9/15/23 (Alternative Minimum Tax) | 9/13 at 100.00 | B | 368,848 |
| 675 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 1999, 5.250%, 9/15/29 (Alternative Minimum Tax) | 8/22 at 101.00 | B | 711,234 |

46 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Transportation (continued) | | | | |
| \$ 3,000 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/14 AMBAC Insured | No Opt. Call | A1 | \$ 3,203,730 |
| 1,875 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2005A, 5.000%, 9/15/18 FGIC Insured | 9/15 at 100.00 | A2 | 2,046,338 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 225 | 6.500%, 1/01/16 AMBAC Insured | No Opt. Call | A3 | 259,191 |
| 370 | 6.500%, 1/01/16 NPFPG Insured | No Opt. Call | A+ | 426,225 |
| 2,500 | New Jersey Turnpike Authority, Revenue Bonds, Series 2009I, 5.000%, 1/01/35 | 1/20 at 100.00 | A+ | 2,792,900 |
| 2,380 | New Jersey Turnpike Authority, Revenue Bonds, Series 2012B, 5.000%, 1/01/28 | 1/23 at 100.00 | A+ | 2,799,808 |
| 1,250 | New Jersey Turnpike Authority, Revenue Bonds, Tender Option Bond Trust 1154, 17.041%, 1/01/43 (IF) (4) | 7/22 at 100.00 | A+ | 1,826,163 |
| 240 | Passaic County Improvement Authority, New Jersey, County Guaranteed Parking Revenue Bonds, 200 Hospital Plaza Project, Series 2010, 5.000%, 5/01/42 | 5/20 at 100.00 | Aa3 | 269,230 |
| 2,750 | Passaic County Improvement Authority, New Jersey, Revenue Bonds, Paterson Parking Deck Facility, Series 2005, 5.000%, 4/15/35 AGM Insured | 4/15 at 100.00 | A2 | 2,921,188 |
| Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Fortieth Series 2005: | | | | |
| 4,000 | 5.000%, 12/01/28 SYNCORA GTY Insured | 6/15 at 101.00 | AA | 4,361,520 |
| 3,000 | 5.000%, 12/01/34 | 6/15 at 101.00 | AA | 3,242,100 |
| 585 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Forty Eighth Series 2008, Trust 2920, 17.512%, 8/15/32 AGM Insured (IF) | 8/17 at 100.00 | AA | 904,574 |
| 1,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Thirty-Fourth Series 2004, 5.000%, 7/15/34 | 1/14 at 101.00 | AA | 1,037,930 |
| 8,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.750%, 12/01/22 NPFPG Insured (Alternative Minimum Tax) | 6/13 at 100.00 | BBB | 8,030,957 |
| 790 | South Jersey Transportation Authority, New Jersey, Transportation System Revenue Bonds, Series 2012., 5.000%, 11/01/22 | No Opt. Call | A | 965,467 |
| 850 | Trenton Parking Authority, Mercer County, New Jersey, Guaranteed Parking System Revenue Bonds, Series 2003, 5.000%, 10/01/24 FGIC Insured | 10/13 at 100.00 | AA | 863,362 |
| 43,640 | Total Transportation | | | 47,872,040 |
| U.S. Guaranteed 22.3% (15.7% of Total Investments) (5) | | | | |
| 2,075 | Egg Harbor Township School District, Atlantic County, New Jersey, General Obligation Bonds, Series 2005, 5.000%, 4/01/27 (Pre-refunded 4/01/15) NPFPG Insured | 4/15 at 100.00 | N/R (5) | 2,261,522 |
| Hudson County Improvement Authority, New Jersey, County Secured Lease Revenue Bonds, County Services Building Project, Series 2005: | | | | |
| 1,185 | 5.000%, 4/01/25 (Pre-refunded 4/01/15) AMBAC Insured | 4/15 at 100.00 | AA (5) | 1,291,034 |
| 2,755 | 5.000%, 4/01/35 (Pre-refunded 4/01/15) AMBAC Insured | 4/15 at 100.00 | AA (5) | 3,001,517 |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004: | | | | |
| 500 | 5.750%, 6/15/29 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 530,505 |
| 1,600 | 5.500%, 6/15/31 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 1,693,136 |
| 2,540 | 5.750%, 6/15/34 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 2,694,965 |
| 1,660 | New Jersey Economic Development Authority, Revenue Bonds, Yeshiva Ktana of Passaic, Series 1993, 8.000%, 9/15/18 (ETM) | No Opt. Call | N/R (5) | 2,001,080 |
| 595 | New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2005B, 5.000%, 7/01/30 (Pre-refunded 7/01/16) NPFPG Insured | 7/16 at 100.00 | A (5) | 677,770 |
| 1,145 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/19 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | N/R (5) | 1,209,235 |

Nuveen New Jersey Premium Income Municipal Fund, Inc. (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| U.S. Guaranteed (5) (continued) | | | | |
| New Jersey Educational Facilities Authority, Revenue Bonds, New Jersey Institute of Technology, Series 2004B: | | | | |
| \$ 1,375 | 5.000%, 7/01/18 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (5) | \$ 1,418,423 |
| 725 | 5.000%, 7/01/19 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (5) | 747,896 |
| 1,530 | 4.750%, 7/01/20 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (5) | 1,575,762 |
| 300 | New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2004A, 5.500%, 7/01/23 (Pre-refunded 7/01/14) RAAI Insured | 7/14 at 100.00 | BBB+ (5) | 318,141 |
| 400 | New Jersey Educational Facilities Authority, Revenue Bonds, Rowan University, Series 2004C, 5.000%, 7/01/20 (Pre-refunded 7/01/14) NPF Insured | 7/14 at 100.00 | A+ (5) | 421,856 |
| 2,720 | New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2003, 5.000%, 9/15/25 (Pre-refunded 9/15/13) | 9/13 at 100.00 | A+ (5) | 2,768,144 |
| New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2005: | | | | |
| 2,615 | 5.000%, 9/15/24 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 2,896,949 |
| 3,000 | 5.000%, 9/15/28 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 3,323,460 |
| 1,270 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, St. Clare s Hospital, Series 2004A, 5.250%, 7/01/20 RAAI Insured (ETM) | No Opt. Call | N/R (5) | 1,597,482 |
| 2,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2005B, 5.250%, 12/15/18 (Pre-refunded 12/15/15) FGIC Insured | 12/15 at 100.00 | A+ (5) | 2,254,640 |
| 1,110 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2005D, 5.000%, 6/15/19 (Pre-refunded 6/15/15) AGM Insured | 6/15 at 100.00 | AA (5) | 1,217,626 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 125 | 6.500%, 1/01/16 AMBAC Insured (ETM) | No Opt. Call | A3 (5) | 144,626 |
| 195 | 6.500%, 1/01/16 NPF Insured (ETM) | No Opt. Call | A (5) | 226,352 |
| 470 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 545,980 |
| 195 | 6.500%, 1/01/16 NPF Insured (ETM) | No Opt. Call | A+ (5) | 226,524 |
| 120 | 6.500%, 1/01/16 AMBAC Insured (ETM) | No Opt. Call | A3 (5) | 139,399 |
| 4,105 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 4,422,193 |
| 1,100 | 6.500%, 1/01/16 AMBAC Insured (ETM) | No Opt. Call | A3 (5) | 1,184,997 |
| 750 | Newark Housing Authority, New Jersey, Port Authority Terminal Revenue Bonds, Series 2004, 5.250%, 1/01/21 (Pre-refunded 1/01/14) NPF Insured | 1/14 at 100.00 | N/R (5) | 774,885 |
| 2,125 | Puerto Rico Electric Power Authority, Power Revenue Bonds, Series 2005RR, 5.000%, 7/01/35 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | AA+ (5) | 2,340,071 |
| 40,285 | Total U.S. Guaranteed | | | 43,906,170 |
| Utilities 0.1% (0.1% of Total Investments) | | | | |
| 245 | Guam Power Authority, Revenue Bonds, Series 2012A, 5.000%, 10/01/34 | 10/22 at 100.00 | BBB | 271,982 |
| Water and Sewer 7.2% (5.1% of Total Investments) | | | | |
| 250 | Jersey City Sewer Authority, Hudson County, New Jersey, Sewer Revenue Refunding Bonds, Series 1993, 6.250%, 1/01/14 AMBAC Insured | No Opt. Call | N/R | 257,938 |
| 4,330 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, Middlesex Water Company, Series 2012C, 4.250%, 10/01/47 (Alternative Minimum Tax) | 10/22 at 100.00 | A | 4,389,105 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 1,250 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010B, 5.600%, 11/01/34 (Alternative Minimum Tax) | 5/20 at 100.00 | A | 1,422,175 |
| 420 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010D, 4.875%, 11/01/29 (Alternative Minimum Tax) | 11/20 at 100.00 | A | 458,976 |
| 1,780 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Tender Option Bond Trust 4729, 7.318%, 9/01/21 (IF) (4) | No Opt. Call | AAA | 2,472,527 |
| 1,650 | New Jersey Water Supply Authority, Water Supply Authority Bonds, Manasquan Reservoir, Series 2005, 5.000%, 8/01/31 NPFPG Insured | 8/15 at 100.00 | AA | 1,767,464 |

48 Nuveen Investments

| Principal | | Optional Call | Ratings (3) | Value |
|------------------------------------|---|----------------|-------------|----------------|
| Amount (000) | Description (1) | Provisions (2) | | |
| Water and Sewer (continued) | | | | |
| | North Hudson Sewerage Authority, New Jersey, Gross Revenue Senior Lien Lease Certificates, Series 2012A: | | | |
| \$ 1,000 | 5.000%, 6/01/27 NPMFG Insured | 6/22 at 100.00 | A | \$ 1,166,370 |
| 1,100 | 5.000%, 6/01/42 NPMFG Insured | 6/22 at 100.00 | A | 1,240,679 |
| 995 | Wanaque Valley Regional Sewer Authority, Passaic County, New Jersey, Sewer Revenue Refunding Bonds, Series 1993B, 5.750%, 9/01/18 AMBAC Insured | No Opt. Call | A1 | 1,091,286 |
| 12,775 | Total Water and Sewer | | | 14,266,520 |
| \$ 276,915 | Total Investments (cost \$256,907,646) 141.9% | | | 279,613,784 |
| | Variable Rate Demand Preferred Shares, at Liquidation Value (45.0)% (6) | | | (88,600,000) |
| | Other Assets Less Liabilities 3.1% | | | 5,975,392 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 196,989,176 |

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

(2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.

(5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

(6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.7%.

N/R Not rated.

WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

See accompanying notes to financial statements.

Nuveen New Jersey Dividend Advantage Municipal Fund

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Consumer Discretionary 0.3% (0.2% of Total Investments) | | | | |
| Middlesex County Improvement Authority, New Jersey, Senior Revenue Bonds, Heldrich Center Hotel/Conference Center Project, Series 2005A: | | | | |
| \$ 260 | 5.000%, 1/01/32 | 1/15 at 100.00 | Caa1 | \$ 158,691 |
| 230 | 5.125%, 1/01/37 | 1/15 at 100.00 | Caa1 | 140,484 |
| 490 | Total Consumer Discretionary | | | 299,175 |
| Consumer Staples 5.8% (4.1% of Total Investments) | | | | |
| Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A: | | | | |
| 895 | 4.500%, 6/01/23 | 6/17 at 100.00 | B1 | 895,627 |
| 4,525 | 4.750%, 6/01/34 | 6/17 at 100.00 | B2 | 3,986,026 |
| 1,385 | 5.000%, 6/01/41 | 6/17 at 100.00 | B2 | 1,237,511 |
| 6,805 | Total Consumer Staples | | | 6,119,164 |
| Education and Civic Organizations 8.4% (6.0% of Total Investments) | | | | |
| 250 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2004C, 5.500%, 7/01/23 | 7/14 at 100.00 | BBB | 256,973 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2007D: | | | | |
| 1,115 | 5.000%, 7/01/32 FGIC Insured | 7/17 at 100.00 | A2 | 1,240,828 |
| 735 | 5.000%, 7/01/39 FGIC Insured | 7/17 at 100.00 | A2 | 803,855 |
| 60 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/21 NPFPG Insured | 7/14 at 100.00 | AA | 62,780 |
| 970 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2006A, 5.000%, 7/01/36 AMBAC Insured | 7/16 at 100.00 | AA | 1,061,102 |
| 665 | New Jersey Educational Facilities Authority, Revenue Bonds, Princeton University, Tender Option Bond Trust 3922, 13.571%, 7/01/19 (IF) | No Opt. Call | AAA | 1,032,073 |
| 300 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2012B, 5.000%, 7/01/42 | 7/22 at 100.00 | A | 341,199 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2012A: | | | | |
| 260 | 5.000%, 7/01/32 | 7/21 at 100.00 | BBB+ | 287,589 |
| 170 | 5.000%, 7/01/37 | 7/21 at 100.00 | BBB+ | 186,140 |
| New Jersey Educational Facilities Authority, Revenue Refunding Bonds, University of Medicine and Dentistry of New Jersey, Series 2009B: | | | | |
| 25 | 6.500%, 12/01/19 | 6/19 at 100.00 | A | 30,811 |
| 100 | 6.500%, 12/01/20 | 6/19 at 100.00 | A | 122,539 |
| 5 | 7.125%, 12/01/23 | 6/19 at 100.00 | A | 6,411 |
| 265 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-1A, 5.000%, 12/01/25 | 12/19 at 100.00 | AA | 294,585 |
| 135 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-2, 5.000%, 12/01/30 | 12/20 at 100.00 | Aa3 | 149,857 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 350 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2011-1, 5.750%, 12/01/27 (Alternative Minimum Tax) | 12/21 at 100.00 | Aa3 | 401,986 |
| 1,185 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2012-1A, 4.250%, 12/01/25 (Alternative Minimum Tax) | 12/22 at 100.00 | AA | 1,252,687 |
| 300 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Tender Option Bond Trust PA-4643, 19.910%, 6/01/30 (IF) (4) | 6/19 at 100.00 | AA | 453,720 |
| 250 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System Project, Refunding Series 2012, 5.125%, 4/01/32 | 4/22 at 100.00 | BBB | 252,575 |

50 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|-----------|
| Education and Civic Organizations (continued) | | | | |
| \$ 75 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Inter-American University of Puerto Rico Project, Refunding Series 2012, 5.000%, 10/01/31 | 10/22 at 100.00 | A | \$ 80,077 |
| 500 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Refunding Bonds, Ana G. Mendez University System, Series 2002, 5.500%, 12/01/31 | 12/13 at 100.00 | BBB | 501,545 |
| 20 | University of Medicine and Dentistry of New Jersey, Certificates of Participation, Child Health Institute, LLC, Series 2003, 4.125%, 4/15/16 AMBAC Insured | No Opt. Call | BBB+ | 20,043 |
| University of Medicine and Dentistry of New Jersey, Certificates of Participation, University Housing Associates, LLC, Series 2004: | | | | |
| 20 | 5.250%, 6/15/21 NPF Insured | No Opt. Call | BBB+ | 20,615 |
| 45 | 5.000%, 6/15/36 NPF Insured | 6/14 at 100.00 | BBB+ | 45,739 |
| 7,800 | Total Education and Civic Organizations | | | 8,905,729 |
| Financials 1.8% (1.3% of Total Investments) | | | | |
| 850 | New Jersey Economic Development Authority, Economic Development Revenue Bonds, Glimcher Properties LP, Series 1998, 6.000%, 11/01/28 (Alternative Minimum Tax) | 5/13 at 100.00 | N/R | 849,915 |
| 250 | New Jersey Economic Development Authority, Industrial Development Revenue Refunding Bonds, Newark Airport Marriott Hotel, Series 1996, 7.000%, 10/01/14 | 10/13 at 100.00 | Baa3 | 251,243 |
| 750 | New Jersey Economic Development Authority, Revenue Refunding Bonds, Kapkowski Road Landfill Project, Series 2002, 5.750%, 10/01/21 | No Opt. Call | Ba2 | 831,983 |
| 1,850 | Total Financials | | | 1,933,141 |
| Health Care 15.9% (11.3% of Total Investments) | | | | |
| 310 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2004A, 5.750%, 2/15/34 | 8/14 at 100.00 | BBB | 325,271 |
| 710 | New Jersey Health Care Facilities Finance Authority, Revenue Bonds, AHS Hospital Corporation, Series 2008A, 5.000%, 7/01/27 | 7/18 at 100.00 | A1 | 772,714 |
| 370 | New Jersey Health Care Facilities Financing Authority, Hospital Revenue Bonds, Virtua Health, Tender Option Bond Trust 3018, 19.102%, 7/01/38 AGC Insured (IF) (4) | 7/19 at 100.00 | AA | 536,796 |
| 850 | New Jersey Health Care Facilities Financing Authority, New Jersey, Revenue Bonds, Saint Peters University Hospital, Refunding Series 2011, 6.000%, 7/01/26 | 7/21 at 100.00 | BB+ | 992,256 |
| 180 | New Jersey Health Care Facilities Financing Authority, Revenue and Refunding Bonds, Barnabas Health, Series 2012A, 5.000%, 7/01/24 | No Opt. Call | BBB+ | 211,347 |
| 865 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Atlanticare Regional Medical Center, Series 2007, 5.000%, 7/01/37 | 7/17 at 100.00 | A+ | 912,316 |
| 1,500 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, CentraState Medical Center, Series 2006A, 5.000%, 7/01/30 AGC Insured | 7/17 at 100.00 | A3 | 1,600,005 |
| 130 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Children s Specialized Hospital, Series 2005A, 5.500%, 7/01/36 | 7/15 at 100.00 | BBB | 133,312 |
| 440 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006B, 5.000%, 7/01/36 | 7/16 at 100.00 | A | 453,548 |
| 180 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006, 5.125%, 7/01/35 | 7/16 at 100.00 | A | 186,912 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Kennedy Health System Obligated Group Issue, Refunding Series 2012: | | | | |
| 1,040 | 3.750%, 7/01/27 | No Opt. Call | A3 | 1,080,040 |
| 500 | 5.000%, 7/01/31 | 7/22 at 100.00 | A3 | 562,335 |
| 240 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2013A, 5.000%, 7/01/32 (WI/DD, Settling 5/08/13) | 7/23 at 100.00 | A | 274,882 |
| 1,255 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health, Series 2007-I, 5.000%, 7/01/38 AGC Insured | 7/18 at 100.00 | AA | 1,354,647 |

Nuveen New Jersey Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|-------------------|
| Health Care (continued) | | | | |
| \$ 125 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, RWJ Health Care Corporation, Series 2005B, 5.000%, 7/01/25 RAAI Insured | 7/15 at 100.00 | N/R | \$ 128,786 |
| 1,555 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Refunding Series 2011A, 5.625%, 7/01/37 | 7/21 at 100.00 | BBB+ | 1,757,865 |
| 445 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Series 2006A, 5.000%, 7/01/29 | 1/17 at 100.00 | BBB+ | 467,699 |
| 700 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Joseph's Healthcare System Obligated Group Issue, Series 2008, 6.625%, 7/01/38 | 7/18 at 100.00 | BBB | 808,486 |
| 895 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Shore Memorial Health System, Series 2003, 5.000%, 7/01/23 RAAI Insured | 7/13 at 100.00 | N/R | 896,181 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003, 5.500%, 7/01/33 | 7/13 at 100.00 | Ba2 | 2,006,260 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, South Jersey Hospital System, Refunding Series 2006: | | | | |
| 665 | 5.000%, 7/01/36 | 7/16 at 100.00 | A2 | 691,301 |
| 615 | 5.000%, 7/01/46 | 7/16 at 100.00 | A2 | 637,644 |
| 15,570 | Total Health Care | | | 16,790,603 |
| Housing/Multifamily 0.9% (0.6% of Total Investments) | | | | |
| New Jersey Economic Development Authority, Student Housing Revenue Bonds, Provident Group-Montclair Properties LLC, Montclair State University Student Housing Project, Series 2010A: | | | | |
| 560 | 5.750%, 6/01/31 | 6/20 at 100.00 | Baa3 | 641,284 |
| 300 | 5.875%, 6/01/42 | 6/20 at 100.00 | Baa3 | 341,739 |
| 860 | Total Housing/Multifamily | | | 983,023 |
| Housing/Single Family 5.2% (3.7% of Total Investments) | | | | |
| 5,000 | New Jersey Housing and Mortgage Finance Agency, Single Family Home Mortgage Revenue Bonds, Series 2011A, 4.650%, 10/01/29 | 4/21 at 100.00 | Aa1 | 5,532,999 |
| Industrials 0.7% (0.5% of Total Investments) | | | | |
| 670 | Gloucester County Improvement Authority, New Jersey, Solid Waste Resource Recovery Revenue Refunding Bonds, Waste Management Inc. Project, Series 1999, 2.125%, 12/01/29 (Mandatory put 12/01/17) | No Opt. Call | BBB | 695,138 |
| Long-Term Care 2.5% (1.8% of Total Investments) | | | | |
| 520 | Burlington County Bridge Commission, New Jersey, Economic Development Revenue Bonds, The Evergreens Project, Series 2007, 5.625%, 1/01/38 | 1/18 at 100.00 | N/R | 541,024 |
| 250 | New Jersey Economic Development Authority, First Mortgage Revenue Bonds, Winchester Gardens at Wards Homestead, Series 2004A, 5.800%, 11/01/31 | 11/14 at 100.00 | BBB | 255,508 |
| New Jersey Economic Development Authority, Revenue Bonds, Masonic Charity Foundation of New Jersey, Series 2001: | | | | |
| 1,000 | 6.000%, 6/01/25 | 6/13 at 100.00 | A | 1,002,060 |
| 335 | 5.500%, 6/01/31 | 6/13 at 100.00 | A | 335,573 |
| 500 | | 7/13 at 100.00 | BB+ | 500,190 |

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| | | | | | | | |
|--|--|-------|----------------|--|----|-----------|-----------|
| | New Jersey Economic Development Authority, Revenue Bonds, United Methodist Homes of New Jersey Obligated Group, Series 1998, 5.125%, 7/01/25 | | | | | | |
| 2,605 | Total Long-Term Care | | | | | | 2,634,355 |
| Tax Obligation/General 3.6% (2.6% of Total Investments) | | | | | | | |
| 1,000 | Jersey City, New Jersey, General Obligation Bonds, Series 2006A, 5.000%, 9/01/22 | AMBAC | 9/16 at 100.00 | | A2 | 1,119,590 | |
| | Insured | | | | | | |
| 1,100 | Linden, New Jersey, General Obligation Bonds, Refunding Series 2011, 4.000%, 5/01/23 | | 5/21 at 100.00 | | AA | 1,231,021 | |

52 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------------|
| Tax Obligation/General (continued) | | | | |
| \$ 300 | Middletown Township Board of Education, Monmouth County, New Jersey, Refunding Series 2010, 5.000%, 8/01/27 | 8/20 at 100.00 | AA | \$ 354,363 |
| 250 | Newark Housing Authority, New Jersey, City-Secured Police Facility Revenue Bonds, South Ward Police Facility, Series 2009A, 6.750%, 12/01/38 AGC Insured | 12/19 at 100.00 | A3 | 311,393 |
| 740 | Union County Utilities Authority, New Jersey, Resource Recovery Facility Lease Revenue Refunding Bonds, Covanta Union Inc. Lessee, Series 2011B, 5.250%, 12/01/31 (Alternative Minimum Tax) | 12/21 at 100.00 | AA+ | 828,023 |
| 3,390 | Total Tax Obligation/General | | | 3,844,390 |
| Tax Obligation/Limited 36.3% (25.8% of Total Investments) | | | | |
| 600 | Bergen County Improvement Authority, New Jersey, Guaranteed Lease Revenue Bonds, County Administration Complex Project, Series 2005, 5.000%, 11/15/26 | No Opt. Call | Aaa | 795,090 |
| 1,745 | Burlington County Bridge Commission, New Jersey, Guaranteed Pooled Loan Bonds, Series 2003, 5.000%, 12/01/18 NPMG Insured | 12/13 at 100.00 | AA | 1,793,057 |
| 1,000 | Camden County Improvement Authority, New Jersey, County Guaranteed Lease Revenue Bonds, Series 2005A, 5.000%, 9/01/16 AGM Insured | 9/15 at 100.00 | Aa2 | 1,103,920 |
| 1,100 | Casino Reinvestment Development Authority, New Jersey, Hotel Room Fee Revenue Bonds, Series 2004, 5.250%, 1/01/16 AMBAC Insured | 1/15 at 102.00 | A | 1,186,988 |
| 620 | Essex County Improvement Authority, New Jersey, Project Consolidation Revenue Bonds, Series 2007, 5.250%, 12/15/22 AMBAC Insured | No Opt. Call | Aa2 | 799,422 |
| 3,000 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Refunding Series 2012A, 5.000%, 11/01/20 | No Opt. Call | AAA | 3,779,129 |
| 500 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005A, 5.750%, 11/01/28 AGM Insured | No Opt. Call | AAA | 676,765 |
| 815 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005C, 5.125%, 11/01/18 AGM Insured | No Opt. Call | AAA | 996,916 |
| 1,785 | New Jersey Building Authority, State Building Revenue Bonds, Series 2007A, 5.000%, 6/15/27 | 6/16 at 100.00 | A+ | 1,971,300 |
| | New Jersey Economic Development Authority, Cigarette Tax Revenue Refunding Bonds, Series 2012: | | | |
| 600 | 5.000%, 6/15/19 | No Opt. Call | BBB+ | 706,110 |
| 360 | 5.000%, 6/15/21 | No Opt. Call | BBB+ | 430,250 |
| 600 | 5.000%, 6/15/26 | 6/22 at 100.00 | BBB+ | 688,512 |
| 1,200 | New Jersey Economic Development Authority, Revenue Bonds, Motor Vehicle Surcharge, Series 2004A, 5.250%, 7/01/15 NPMG Insured | 7/14 at 100.00 | A | 1,269,504 |
| | New Jersey Economic Development Authority, Revenue Bonds, Newark Downtown District Management Corporation Project, Series 2007: | | | |
| 65 | 5.125%, 6/15/27 | 6/17 at 100.00 | Baa3 | 69,099 |
| 115 | 5.125%, 6/15/37 | 6/17 at 100.00 | Baa3 | 120,270 |
| 1,650 | New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Refunding Series 2013NN, 5.000%, 3/01/28 | 3/23 at 100.00 | A+ | 1,939,212 |
| | New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Series 2007U: | | | |
| 615 | 5.000%, 9/01/37 AMBAC Insured | 9/17 at 100.00 | A+ | 671,383 |
| 1,235 | 5.000%, 9/01/37 | 9/17 at 100.00 | A+ | 1,348,225 |
| 470 | New Jersey Educational Facilities Authority, Revenue Bonds, Higher Education Capital Improvement Fund, Refunding Series 2005A, 5.000%, 9/01/15 AGM Insured | No Opt. Call | AA | 517,606 |
| 250 | New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset Transformation Program, Series 2008A, 5.250%, 10/01/38 | 10/18 at 100.00 | A+ | 273,420 |
| | New Jersey Transportation Trust Fund Authority, Federal Highway Aid Grant Anticipation Bonds, Series 2006: | | | |
| 350 | 5.000%, 6/15/17 FGIC Insured | 6/16 at 100.00 | A1 | 395,570 |

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610 5.000%, 6/15/18 FGIC Insured

6/16 at 100.00

A1

687,202

Nuveen Investments 53

Nuveen New Jersey Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Tax Obligation/Limited (continued) | | | | |
| \$ 6,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/30 | No Opt. Call | A+ | \$ 2,901,480 |
| 1,300 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Refunding Series 2006A, 5.500%, 12/15/22 | No Opt. Call | A+ | 1,662,401 |
| 1,300 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2004B, 5.500%, 12/15/16 NPFPG Insured | No Opt. Call | A+ | 1,518,868 |
| New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C: | | | | |
| 3,000 | 0.000%, 12/15/32 AGM Insured | No Opt. Call | AA | 1,273,290 |
| 3,500 | 0.000%, 12/15/33 AGM Insured | No Opt. Call | AA | 1,410,570 |
| 6,000 | 0.000%, 12/15/34 AGM Insured | No Opt. Call | AA | 2,299,260 |
| 1,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2007A, 5.000%, 12/15/26 AMBAC Insured | 12/17 at 100.00 | A+ | 1,156,740 |
| 800 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2010D, 5.000%, 12/15/24 | No Opt. Call | A+ | 997,656 |
| 915 | Passaic County Improvement Authority, New Jersey, Lease Revenue Bonds, Preakness Healthcare Center Expansion Project, Series 2012, 3.500%, 5/01/35 | 5/22 at 100.00 | Aa3 | 918,166 |
| 405 | Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Revenue Bonds, Series 2006A, 4.500%, 7/01/36 CIFG Insured | 7/16 at 100.00 | BBB+ | 361,787 |
| 575 | Union County Improvement Authority, New Jersey, Lease Revenue Refunding Bonds, City of Plainfield Park Madison Redevelopment Project, Tender Option Trust 1145, 17.604%, 3/01/34 (IF) (4) | No Opt. Call | AA+ | 1,134,688 |
| 550 | Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Subordinate Lien Series 2010B, 5.250%, 10/01/29 | 10/20 at 100.00 | Baa2 | 605,792 |
| 44,630 | Total Tax Obligation/Limited | | | 38,459,648 |
| Transportation 21.3% (15.1% of Total Investments) | | | | |
| Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2005: | | | | |
| 1,000 | 5.000%, 1/01/25 NPFPG Insured | 1/15 at 100.00 | A1 | 1,069,240 |
| 1,000 | 5.000%, 1/01/26 NPFPG Insured | 1/15 at 100.00 | A1 | 1,060,290 |
| 500 | 5.000%, 1/01/27 NPFPG Insured | 1/15 at 100.00 | A1 | 529,805 |
| 350 | Delaware River Joint Toll Bridge Commission, Pennsylvania, Revenue Bonds, Refunding Series 2012A, 4.000%, 7/01/27 | 7/22 at 100.00 | A2 | 379,768 |
| 500 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 558,900 |
| 1,260 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/27 | No Opt. Call | BBB | 1,435,480 |
| 300 | New Brunswick Parking Authority, Middlesex County, New Jersey, Guaranteed Parking Revenue Bonds, Refunding Series 2012, 5.000%, 9/01/31 | 9/22 at 100.00 | A+ | 345,231 |
| 900 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | 5/13 at 100.00 | B | 903,402 |
| 1,000 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/14 AMBAC Insured | No Opt. Call | A1 | 1,067,910 |

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| | | | | |
|-------|--|----------------|----|-----------|
| 1,000 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2005A, 5.000%, 9/15/18 FGIC Insured | 9/15 at 100.00 | A2 | 1,091,380 |
| 35 | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C, 6.500%, 1/01/16 NCFG Insured | No Opt. Call | A+ | 40,319 |
| 300 | New Jersey Turnpike Authority, Revenue Bonds, Series 2005A, 5.250%, 1/01/29 AGM Insured | No Opt. Call | AA | 387,159 |
| 1,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2009I, 5.000%, 1/01/35 | 1/20 at 100.00 | A+ | 1,117,160 |
| 1,660 | New Jersey Turnpike Authority, Revenue Bonds, Series 2012B, 5.000%, 1/01/28 | 1/23 at 100.00 | A+ | 1,952,807 |
| 375 | New Jersey Turnpike Authority, Revenue Bonds, Tender Option Bond Trust 1154, 17.041%, 1/01/43 (IF) (4) | 7/22 at 100.00 | A+ | 547,849 |

54 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Transportation (continued) | | | | |
| \$ 240 | Passaic County Improvement Authority, New Jersey, County Guaranteed Parking Revenue Bonds, 200 Hospital Plaza Project, Series 2010, 5.000%, 5/01/42 | 5/20 at 100.00 | Aa3 | \$ 269,230 |
| 1,500 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Fortieth Series 2005, 5.000%, 12/01/34 | 6/15 at 101.00 | AA | 1,621,050 |
| 310 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Forty Eighth Series 2008, Trust 2920, 17.512%, 8/15/32 AGM Insured (IF) | 8/17 at 100.00 | AA | 479,347 |
| 1,000 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Seventy Seventh Series 2013, 4.000%, 1/15/43 (Alternative Minimum Tax) | 1/23 at 100.00 | AA | 1,011,600 |
| 500 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Thirty-Fourth Series 2004, 5.000%, 7/15/34 | 1/14 at 101.00 | AA | 518,965 |
| 5,000 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.750%, 12/01/22 NPFPG Insured (Alternative Minimum Tax) | 6/13 at 100.00 | BBB | 5,019,349 |
| 950 | South Jersey Transportation Authority, New Jersey, Transportation System Revenue Bonds, Series 2012., 5.000%, 11/01/22 | No Opt. Call | A | 1,161,005 |
| 20,680 | Total Transportation | | | 22,567,246 |
| U.S. Guaranteed 27.1% (19.3% of Total Investments) (5) | | | | |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004: | | | | |
| 600 | 5.750%, 6/15/29 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 636,606 |
| 1,200 | 5.750%, 6/15/34 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 1,273,212 |
| 385 | New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2005B, 5.000%, 7/01/30 (Pre-refunded 7/01/16) NPFPG Insured | 7/16 at 100.00 | A (5) | 438,557 |
| 690 | New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2004L, 5.125%, 7/01/21 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | N/R (5) | 728,709 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Montclair State University, Series 2005F: | | | | |
| 700 | 5.000%, 7/01/17 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | A1 (5) | 769,237 |
| 1,000 | 5.000%, 7/01/24 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | A1 (5) | 1,098,910 |
| 520 | 5.000%, 7/01/32 (Pre-refunded 7/01/15) FGIC Insured | 7/15 at 100.00 | A1 (5) | 571,433 |
| 1,000 | New Jersey Educational Facilities Authority, Revenue Bonds, New Jersey Institute of Technology, Series 2004B, 5.000%, 7/01/21 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (5) | 1,031,580 |
| 625 | New Jersey Educational Facilities Authority, Revenue Bonds, Rowan University, Series 2004C, 5.000%, 7/01/24 (Pre-refunded 7/01/14) NPFPG Insured | 7/14 at 100.00 | A+ (5) | 659,150 |
| 630 | New Jersey Educational Facilities Authority, Revenue Bonds, William Paterson University, Series 2004A, 5.125%, 7/01/19 (Pre-refunded 7/01/14) FGIC Insured | 7/14 at 100.00 | AA (5) | 664,959 |
| New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2005: | | | | |
| 925 | 5.000%, 9/15/18 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 1,024,734 |
| 1,400 | 5.000%, 9/15/24 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 1,550,948 |
| 890 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Capital Health System Obligated Group, Series 2003A, 5.375%, 7/01/33 (Pre-refunded 7/01/13) | 7/13 at 100.00 | N/R (5) | 897,699 |
| 845 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, St. Clare s Hospital, Series 2004A, 5.250%, 7/01/20 RAAI Insured (ETM) | No Opt. Call | N/R (5) | 1,062,892 |
| 1,280 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2005D, 5.000%, 6/15/19 (Pre-refunded 6/15/15) AGM Insured | 6/15 at 100.00 | AA (5) | 1,404,109 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 15 | 6.500%, 1/01/16 NPFPG Insured (ETM) | No Opt. Call | A (5) | 17,412 |
| 130 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 151,016 |
| 25 | 6.500%, 1/01/16 NPFPG Insured (ETM) | No Opt. Call | A+ (5) | 29,042 |
| 570 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 614,044 |

Nuveen New Jersey Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|-------------------|
| U.S. Guaranteed (5) (continued) | | | | |
| \$ 1,000 | New Jersey Turnpike Authority, Revenue Bonds, Series 2003A, 5.000%, 1/01/19 (Pre-refunded 7/01/13) FGIC Insured | 7/13 at 100.00 | A+ (5) | \$ 1,008,100 |
| 375 | Newark Housing Authority, New Jersey, Port Authority Terminal Revenue Bonds, Series 2004, 5.250%, 1/01/21 (Pre-refunded 1/01/14) NPF Insured | 1/14 at 100.00 | N/R (5) | 387,443 |
| 15,840 | North Hudson Sewerage Authority, New Jersey, Sewerage Revenue Refunding Bonds, Series 2001A, 0.000%, 8/01/23 NPF Insured (ETM) | No Opt. Call | Baa1 (5) | 12,698,924 |
| 30,645 | Total U.S. Guaranteed | | | 28,718,716 |
| Utilities 2.4% (1.7% of Total Investments) | | | | |
| 1,510 | Industrial Pollution Control Financing Authority of Cape May County (New Jersey), Pollution Control Revenue Refunding Bonds, 1991 Series A (Atlantic City Electric Company Project), 6.800%, 3/01/21 NPF Insured | No Opt. Call | A | 1,987,069 |
| 530 | New Jersey Economic Development Authority, Energy Facilities Revenue Bonds, UMM Energy Partners, LLC Project, Series 2012A, 5.125%, 6/15/43 (Alternative Minimum Tax) | 6/22 at 100.00 | Baa3 | 566,819 |
| 2,040 | Total Utilities | | | 2,553,888 |
| Water and Sewer 8.5% (6.0% of Total Investments) | | | | |
| 225 | Guam Government Waterworks Authority, Water and Wastewater System Revenue Bonds, Series 2005, 6.000%, 7/01/25 | 7/15 at 100.00 | Ba2 | 234,675 |
| New Jersey Economic Development Authority, Water Facilities Revenue Bonds, Middlesex Water Company, Series 2012C: | | | | |
| 670 | 5.000%, 10/01/23 | No Opt. Call | A | 817,641 |
| 2,730 | 4.250%, 10/01/47 (Alternative Minimum Tax) | 10/22 at 100.00 | A | 2,767,265 |
| 250 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010B, 5.600%, 11/01/34 (Alternative Minimum Tax) | 5/20 at 100.00 | A | 284,435 |
| 320 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010D, 4.875%, 11/01/29 (Alternative Minimum Tax) | 11/20 at 100.00 | A | 349,696 |
| 1,680 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Series 2012A, 3.250%, 9/01/31 | 9/21 at 100.00 | AAA | 1,716,994 |
| 925 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Tender Option Bond Trust 4729, 7.318%, 9/01/21 (IF) (4) | No Opt. Call | AAA | 1,284,881 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|----------------|
| Water and Sewer (continued) | | | | |
| North Hudson Sewerage Authority, New Jersey, Gross Revenue Senior Lien Lease Certificates, Series 2012A: | | | | |
| \$ 670 | 5.000%, 6/01/27 NPFG Insured | 6/22 at 100.00 | A | \$ 781,468 |
| 640 | 5.000%, 6/01/42 NPFG Insured | 6/22 at 100.00 | A | 721,850 |
| 8,110 | Total Water and Sewer | | | 8,958,905 |
| \$ 151,145 | Total Investments (cost \$135,534,975) 140.7% | | | 148,996,120 |
| | MuniFund Term Preferred Shares, at Liquidation Value (42.4)% (6) | | | (44,861,000) |
| | Other Assets Less Liabilities 1.7% | | | 1,757,134 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 105,892,254 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.1%
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

Nuveen New Jersey Dividend Advantage Municipal Fund 2

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Consumer Discretionary 0.3% (0.2% of Total Investments) | | | | |
| Middlesex County Improvement Authority, New Jersey, Senior Revenue Bonds, Heldrich Center Hotel/Conference Center Project, Series 2005A: | | | | |
| \$ 180 | 5.000%, 1/01/32 | 1/15 at 100.00 | Caa1 | \$ 109,863 |
| 150 | 5.125%, 1/01/37 | 1/15 at 100.00 | Caa1 | 91,620 |
| 330 | Total Consumer Discretionary | | | 201,483 |
| Consumer Staples 6.0% (4.1% of Total Investments) | | | | |
| Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A: | | | | |
| 605 | 4.500%, 6/01/23 | 6/17 at 100.00 | B1 | 605,424 |
| 3,275 | 4.750%, 6/01/34 | 6/17 at 100.00 | B2 | 2,884,915 |
| 885 | 5.000%, 6/01/41 | 6/17 at 100.00 | B2 | 790,756 |
| 4,765 | Total Consumer Staples | | | 4,281,095 |
| Education and Civic Organizations 12.7% (8.7% of Total Investments) | | | | |
| 200 | New Jersey Educational Facilities Authority, Revenue Bonds, Fairleigh Dickinson University, Series 2004C, 5.500%, 7/01/23 | 7/14 at 100.00 | BBB | 205,578 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2007D: | | | | |
| 790 | 5.000%, 7/01/32 FGIC Insured | 7/17 at 100.00 | A2 | 879,152 |
| 495 | 5.000%, 7/01/39 FGIC Insured | 7/17 at 100.00 | A2 | 541,372 |
| 1,000 | New Jersey Educational Facilities Authority, Revenue Bonds, Princeton University, Series 2007E, 5.000%, 7/01/33 | No Opt. Call | AAA | 1,147,490 |
| 335 | New Jersey Educational Facilities Authority, Revenue Bonds, Princeton University, Tender Option Bond Trust 3922, 13.571%, 7/01/19 (IF) | No Opt. Call | AAA | 519,917 |
| 275 | New Jersey Educational Facilities Authority, Revenue Bonds, Ramapo College, Series 2012B, 5.000%, 7/01/37 | 7/22 at 100.00 | A | 312,766 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2012A: | | | | |
| 170 | 5.000%, 7/01/32 | 7/21 at 100.00 | BBB+ | 188,039 |
| 115 | 5.000%, 7/01/37 | 7/21 at 100.00 | BBB+ | 125,918 |
| 300 | New Jersey Educational Facilities Authority, Revenue Refunding Bonds, College of New Jersey, Series 2012A, 5.000%, 7/01/19 | No Opt. Call | AA | 362,439 |
| 25 | New Jersey Educational Facilities Authority, Revenue Refunding Bonds, University of Medicine and Dentistry of New Jersey, Series 2009B, 6.000%, 12/01/17 | No Opt. Call | A | 28,828 |
| 180 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-1A, 5.000%, 12/01/25 | 12/19 at 100.00 | AA | 200,095 |
| 105 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-2, 5.000%, 12/01/30 | 12/20 at 100.00 | Aa3 | 116,555 |
| 175 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2011-1, 5.750%, 12/01/27 (Alternative Minimum Tax) | 12/21 at 100.00 | Aa3 | 200,992 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 1,100 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2012-1A, 4.250%, 12/01/25 (Alternative Minimum Tax) | 12/22 at 100.00 | AA | 1,162,831 |
| 200 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Tender Option Bond Trust PA-4643, 19.910%, 6/01/30 (IF) (4) | 6/19 at 100.00 | AA | 302,480 |
| 575 | New Jersey Institute of Technology, New Jersey, General Obligation Bonds, Series 2012A, 5.000%, 7/01/42 | 7/22 at 100.00 | A+ | 659,370 |
| 200 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Ana G. Mendez University System Project, Refunding Series 2012, 5.125%, 4/01/32 | 4/22 at 100.00 | BBB | 202,060 |

58 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|-----------|
| Education and Civic Organizations (continued) | | | | |
| \$ 75 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Higher Education Revenue Bonds, Inter-American University of Puerto Rico Project, Refunding Series 2012, 5.000%, 10/01/31 | 10/22 at 100.00 | A | \$ 80,077 |
| 1,790 | University of Medicine and Dentistry of New Jersey, Revenue Bonds, Series 2002A, 5.000%, 12/01/31 AMBAC Insured | 6/13 at 100.00 | A | 1,794,886 |
| 8,105 | Total Education and Civic Organizations | | | 9,030,845 |
| Financials 4.9% (3.4% of Total Investments) | | | | |
| 600 | New Jersey Economic Development Authority, Economic Development Revenue Bonds, Glimcher Properties LP, Series 1998, 6.000%, 11/01/28 (Alternative Minimum Tax) | 5/13 at 100.00 | N/R | 599,940 |
| 1,250 | New Jersey Economic Development Authority, Industrial Development Revenue Refunding Bonds, Newark Airport Marriott Hotel, Series 1996, 7.000%, 10/01/14 | 10/13 at 100.00 | Baa3 | 1,256,213 |
| 1,450 | New Jersey Economic Development Authority, Revenue Refunding Bonds, Kapkowski Road Landfill Project, Series 2002, 5.750%, 10/01/21 | No Opt. Call | Ba2 | 1,608,500 |
| 3,300 | Total Financials | | | 3,464,653 |
| Health Care 23.2% (16.0% of Total Investments) | | | | |
| 220 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2004A, 5.750%, 2/15/34 | 8/14 at 100.00 | BBB | 230,837 |
| 400 | New Jersey Health Care Facilities Finance Authority, Revenue Bonds, AHS Hospital Corporation, Series 2008A, 5.000%, 7/01/27 | 7/18 at 100.00 | A1 | 435,332 |
| 260 | New Jersey Health Care Facilities Financing Authority, Hospital Revenue Bonds, Virtua Health, Tender Option Bond Trust 3018, 19.102%, 7/01/38 AGC Insured (IF) (4) | 7/19 at 100.00 | AA | 377,208 |
| 500 | New Jersey Health Care Facilities Financing Authority, New Jersey, Revenue Bonds, Saint Peters University Hospital, Refunding Series 2011, 6.250%, 7/01/35 | 7/21 at 100.00 | BB+ | 588,190 |
| 150 | New Jersey Health Care Facilities Financing Authority, Revenue and Refunding Bonds, Barnabas Health, Series 2012A, 5.000%, 7/01/24 | No Opt. Call | BBB+ | 176,123 |
| 610 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Atlanticare Regional Medical Center, Series 2007, 5.000%, 7/01/37 | 7/17 at 100.00 | A+ | 643,367 |
| 1,000 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, CentraState Medical Center, Series 2006A, 5.000%, 7/01/30 AGC Insured | 7/17 at 100.00 | A3 | 1,066,670 |
| 90 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Children's Specialized Hospital, Series 2005A, 5.500%, 7/01/36 | 7/15 at 100.00 | BBB | 92,293 |
| 170 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006, 5.125%, 7/01/35 | 7/16 at 100.00 | A | 176,528 |
| 800 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Kennedy Health System Obligated Group Issue, Refunding Series 2012, 3.750%, 7/01/27 | No Opt. Call | A3 | 830,800 |
| 1,020 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2011, 5.000%, 7/01/26 | 7/22 at 100.00 | A | 1,181,119 |
| 150 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health System Obligated Group, Refunding Series 2013A, 5.000%, 7/01/32 (WI/DD, Settling 5/08/13) | 7/23 at 100.00 | A | 171,801 |
| 945 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health, Series 2007-I, 5.000%, 7/01/38 AGC Insured | 7/18 at 100.00 | AA | 1,020,033 |
| 1,185 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Palisades Medical Center of New York Presbyterian Healthcare System, Series 2002, 6.625%, 7/01/31 | 7/13 at 100.00 | BB+ | 1,187,157 |
| 135 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, RWJ Health Care Corporation, Series 2005B, 5.000%, 7/01/35 RAAI Insured | 7/15 at 100.00 | N/R | 137,870 |
| 1,165 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Refunding Series 2011A, 5.625%, 7/01/37 | 7/21 at 100.00 | BBB+ | 1,316,986 |

Nuveen New Jersey Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Health Care (continued) | | | | |
| \$ 500 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Joseph's Healthcare System Obligated Group Issue, Series 2008, 6.625%, 7/01/38 | 7/18 at 100.00 | BBB | \$ 577,490 |
| 630 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Shore Memorial Health System, Series 2003, 5.000%, 7/01/23 RAAI Insured | 7/13 at 100.00 | N/R | 630,832 |
| 1,520 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Somerset Medical Center, Series 2003, 5.500%, 7/01/33 | 7/13 at 100.00 | Ba2 | 1,524,758 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, South Jersey Hospital System, Refunding Series 2006: | | | | |
| 2,455 | 5.000%, 7/01/36 | 7/16 at 100.00 | A2 | 2,552,095 |
| 435 | 5.000%, 7/01/46 | 7/16 at 100.00 | A2 | 451,017 |
| 1,100 | Puerto Rico Industrial, Tourist, Educational, Medical and Environmental Control Facilities Financing Authority, Adjustable Rate Industrial Revenue Bonds, American Home Products Corporation, Series 1983A, 5.100%, 12/01/18 | 6/13 at 100.00 | A1 | 1,117,688 |
| 15,440 | Total Health Care | | | 16,486,194 |
| Housing/Multifamily 2.7% (1.9% of Total Investments) | | | | |
| New Jersey Economic Development Authority, Student Housing Revenue Bonds, Provident Group-Montclair Properties LLC, Montclair State University Student Housing Project, Series 2010A: | | | | |
| 380 | 5.750%, 6/01/31 | 6/20 at 100.00 | Baa3 | 435,157 |
| 200 | 5.875%, 6/01/42 | 6/20 at 100.00 | Baa3 | 227,826 |
| New Jersey Housing and Mortgage Finance Agency, Multifamily Housing Revenue Bonds, Series 2013-2: | | | | |
| 625 | 4.350%, 11/01/33 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 641,650 |
| 310 | 4.600%, 11/01/38 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 313,692 |
| 310 | 4.750%, 11/01/46 (Alternative Minimum Tax) | 11/22 at 100.00 | AA | 313,057 |
| 1,825 | Total Housing/Multifamily | | | 1,931,382 |
| Housing/Single Family 1.8% (1.3% of Total Investments) | | | | |
| 1,000 | New Jersey Housing and Mortgage Finance Agency, Single Family Home Mortgage Revenue Bonds, Series 2011A, 4.650%, 10/01/29 | 4/21 at 100.00 | Aa1 | 1,106,600 |
| 195 | New Jersey Housing and Mortgage Finance Agency, Single Family Housing Revenue Bonds, Series 2007T, 4.700%, 10/01/37 (Alternative Minimum Tax) | 4/17 at 100.00 | AA | 201,026 |
| 1,195 | Total Housing/Single Family | | | 1,307,626 |
| Industrials 1.0% (0.7% of Total Investments) | | | | |
| 670 | Gloucester County Improvement Authority, New Jersey, Solid Waste Resource Recovery Revenue Refunding Bonds, Waste Management Inc. Project, Series 1999, 2.125%, 12/01/29 (Mandatory put 12/01/17) | No Opt. Call | BBB | 695,138 |
| Long-Term Care 8.3% (5.7% of Total Investments) | | | | |
| 365 | Burlington County Bridge Commission, New Jersey, Economic Development Revenue Bonds, The Evergreens Project, Series 2007, 5.625%, 1/01/38 | 1/18 at 100.00 | N/R | 379,757 |
| New Jersey Economic Development Authority, Revenue Bonds, Masonic Charity Foundation of New Jersey, Series 2001: | | | | |
| 1,000 | 5.500%, 6/01/21 | 6/13 at 100.00 | A | 1,001,920 |

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| | | | | |
|-------|---|----------------|-----|-----------|
| 4,000 | 5.500%, 6/01/31 | 6/13 at 100.00 | A | 4,006,840 |
| 520 | New Jersey Economic Development Authority, Revenue Bonds, United Methodist Homes of New Jersey Obligated Group, Series 1998, 5.125%, 7/01/25 | 7/13 at 100.00 | BB+ | 520,198 |
| 5,885 | Total Long-Term Care | | | 5,908,715 |

60 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Tax Obligation/General 4.2% (2.9% of Total Investments) | | | | |
| \$ 700 | Jersey City, New Jersey, General Obligation Bonds, Series 2006A, 5.000%, 9/01/22 AMBAC Insured | 9/16 at 100.00 | A2 | \$ 783,713 |
| 190 | Middletown Township Board of Education, Monmouth County, New Jersey, Refunding Series 2010, 5.000%, 8/01/27 | 8/20 at 100.00 | AA | 224,430 |
| 330 | Monroe Township, Middlesex County, New Jersey, General Obligation Bonds, Series 2003, 3.000%, 1/15/33 | 1/22 at 100.00 | AA | 309,035 |
| 740 | Union County Utilities Authority, New Jersey, Resource Recovery Facility Lease Revenue Refunding Bonds, Covanta Union Inc. Lessee, Series 2011B, 5.250%, 12/01/31 (Alternative Minimum Tax) | 12/21 at 100.00 | AA+ | 828,023 |
| 635 | West Deptford, New Jersey, General Obligation Bonds, Series 2005, 5.000%, 7/01/27 AGM Insured | 7/17 at 100.00 | AA | 720,503 |
| 100 | Woodbridge Township, Middlesex County, New Jersey, General Obligation Bonds,, 5.000%, 7/15/19 | No Opt. Call | AA | 120,576 |
| 2,695 | Total Tax Obligation/General | | | 2,986,280 |
| Tax Obligation/Limited 37.2% (25.7% of Total Investments) | | | | |
| 400 | Bergen County Improvement Authority, New Jersey, Guaranteed Lease Revenue Bonds, County Administration Complex Project, Series 2005, 5.000%, 11/15/26 | No Opt. Call | Aaa | 530,060 |
| 1,000 | Burlington County Bridge Commission, New Jersey, Guaranteed Pooled Loan Bonds, Series 2003, 5.000%, 12/01/18 NPF Insured | 12/13 at 100.00 | AA | 1,027,540 |
| 750 | Casino Reinvestment Development Authority, New Jersey, Hotel Room Fee Revenue Bonds, Series 2004, 5.250%, 1/01/16 AMBAC Insured | 1/15 at 102.00 | A | 809,310 |
| 435 | Essex County Improvement Authority, New Jersey, Project Consolidation Revenue Bonds, Series 2007, 5.250%, 12/15/22 AMBAC Insured | No Opt. Call | Aa2 | 560,885 |
| 500 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005A, 5.750%, 11/01/28 AGM Insured | No Opt. Call | AAA | 676,765 |
| 530 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005C, 5.125%, 11/01/18 AGM Insured | No Opt. Call | AAA | 648,301 |
| Government of Guam, Business Privilege Tax Bonds, Series 2011A: | | | | |
| 670 | 5.250%, 1/01/36 | 1/22 at 100.00 | A | 757,261 |
| 265 | 5.125%, 1/01/42 | 1/22 at 100.00 | A | 296,214 |
| 500 | Government of Guam, Business Privilege Tax Bonds, Series 2012B-1, 5.000%, 1/01/29 | 1/22 at 100.00 | A | 565,825 |
| 1,305 | New Jersey Building Authority, State Building Revenue Bonds, Series 2007A, 5.000%, 6/15/26 | 6/16 at 100.00 | A+ | 1,459,003 |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Refunding Bonds, Series 2012: | | | | |
| 700 | 5.000%, 6/15/19 | No Opt. Call | BBB+ | 823,795 |
| 250 | 5.000%, 6/15/21 | No Opt. Call | BBB+ | 298,785 |
| 300 | 5.000%, 6/15/26 | 6/22 at 100.00 | BBB+ | 344,256 |
| New Jersey Economic Development Authority, Revenue Bonds, Newark Downtown District Management Corporation Project, Series 2007: | | | | |
| 50 | 5.125%, 6/15/27 | 6/17 at 100.00 | Baa3 | 53,153 |
| 75 | 5.125%, 6/15/37 | 6/17 at 100.00 | Baa3 | 78,437 |
| 1,400 | New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Refunding Series 2013NN, 5.000%, 3/01/22 | No Opt. Call | A+ | 1,728,873 |
| New Jersey Economic Development Authority, School Facilities Construction Financing Program Bonds, Series 2007U: | | | | |
| 435 | 5.000%, 9/01/37 AMBAC Insured | 9/17 at 100.00 | A+ | 474,881 |
| 870 | 5.000%, 9/01/37 | 9/17 at 100.00 | A+ | 949,762 |
| 200 | New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset Transformation Program, Series 2008A, 5.250%, 10/01/38 | 10/18 at 100.00 | A+ | 218,736 |

Nuveen New Jersey Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Tax Obligation/Limited (continued) | | | | |
| New Jersey Transportation Trust Fund Authority, Federal Highway Aid Grant Anticipation Bonds, Series 2006: | | | | |
| \$ 295 | 5.000%, 6/15/17 FGIC Insured | 6/16 at 100.00 | A1 | \$ 333,409 |
| 525 | 5.000%, 6/15/18 FGIC Insured | 6/16 at 100.00 | A1 | 591,444 |
| 4,000 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Capital Appreciation Series 2010A, 0.000%, 12/15/30 | No Opt. Call | A+ | 1,934,319 |
| 800 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Refunding Series 2006A, 5.500%, 12/15/22 | No Opt. Call | A+ | 1,023,016 |
| 900 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2004B, 5.500%, 12/15/16 NPFPG Insured | No Opt. Call | A+ | 1,051,523 |
| New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2006C: | | | | |
| 2,000 | 0.000%, 12/15/32 AGM Insured | No Opt. Call | AA | 848,860 |
| 4,000 | 0.000%, 12/15/33 AGM Insured | No Opt. Call | AA | 1,612,080 |
| 5,000 | 0.000%, 12/15/34 AGM Insured | No Opt. Call | AA | 1,916,050 |
| 1,300 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2010D, 5.000%, 12/15/24 | No Opt. Call | A+ | 1,621,191 |
| Passaic County Improvement Authority, New Jersey, Lease Revenue Bonds, Preakness Healthcare Center Expansion Project, Series 2012: | | | | |
| 865 | 5.000%, 5/01/21 | No Opt. Call | Aa3 | 1,050,447 |
| 695 | 3.500%, 5/01/35 | 5/22 at 100.00 | Aa3 | 697,405 |
| 290 | Puerto Rico Convention Center District Authority, Hotel Occupancy Tax Revenue Bonds, Series 2006A, 4.500%, 7/01/36 CIFG Insured | 7/16 at 100.00 | BBB+ | 259,057 |
| 425 | Union County Improvement Authority, New Jersey, Lease Revenue Refunding Bonds, City of Plainfield Park Madison Redevelopment Project, Tender Option Trust 1145, 17.604%, 3/01/34 (IF) (4) | No Opt. Call | AA+ | 838,682 |
| 350 | Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Subordinate Lien Series 2010B, 5.250%, 10/01/29 | 10/20 at 100.00 | Baa2 | 385,504 |
| 32,080 | Total Tax Obligation/Limited | | | 26,464,829 |
| Transportation 18.9% (13.0% of Total Investments) | | | | |
| 300 | Casino Reinvestment Development Authority, New Jersey, Parking Revenue Bonds, Series 2005A, 5.250%, 6/01/20 NPFPG Insured | 6/15 at 100.00 | A | 318,756 |
| 500 | Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2005, 5.000%, 1/01/27 NPFPG Insured | 1/15 at 100.00 | A1 | 529,805 |
| 800 | Delaware River and Bay Authority, Delaware and New Jersey, Revenue Bonds, Series 2012A, 5.000%, 1/01/42 | 1/23 at 100.00 | A1 | 925,040 |
| 300 | Delaware River Joint Toll Bridge Commission, Pennsylvania, Revenue Bonds, Refunding Series 2012A, 4.000%, 7/01/27 | 7/22 at 100.00 | A2 | 325,515 |
| 700 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 782,460 |
| 450 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/27 | No Opt. Call | BBB | 512,672 |

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| | | | | | |
|---|---|--|----------------|----|-----------|
| New Brunswick Parking Authority, Middlesex County, New Jersey, Guaranteed Parking Revenue Bonds, Refunding Series 2012: | | | | | |
| 225 | 5.000%, 9/01/28 | | 9/22 at 100.00 | A+ | 263,295 |
| 250 | 3.625%, 9/01/34 | | 9/22 at 100.00 | A+ | 252,760 |
| 600 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2000, 7.000%, 11/15/30 (Alternative Minimum Tax) | | 5/13 at 100.00 | B | 602,268 |
| 1,000 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2002A, 5.500%, 9/15/14 AMBAC Insured | | No Opt. Call | A1 | 1,067,910 |
| 765 | New Jersey Transit Corporation, Certificates of Participation, Federal Transit Administration Grants, Series 2005A, 5.000%, 9/15/18 FGIC Insured | | 9/15 at 100.00 | A2 | 834,906 |
| 30 | New Jersey Turnpike Authority, Revenue Bonds, Series 1991C, 6.500%, 1/01/16 | | No Opt. Call | A3 | 34,559 |

62 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Transportation (continued) | | | | |
| \$ 1,500 | New Jersey Turnpike Authority, Revenue Bonds, Series 2005A, 5.250%, 1/01/29 Insured AGM | No Opt. Call | AA | \$ 1,935,795 |
| 1,200 | New Jersey Turnpike Authority, Revenue Bonds, Series 2012B, 5.000%, 1/01/28 | 1/23 at 100.00 | A+ | 1,411,668 |
| 500 | New Jersey Turnpike Authority, Revenue Bonds, Tender Option Bond Trust 1154, 17.041%, 1/01/43 (IF) (4) | 7/22 at 100.00 | A+ | 730,465 |
| 360 | Passaic County Improvement Authority, New Jersey, County Guaranteed Parking Revenue Bonds, 200 Hospital Plaza Project, Series 2010, 5.000%, 5/01/42 | 5/20 at 100.00 | Aa3 | 403,844 |
| 1,100 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Seventy Seventh Series 2013, 4.000%, 1/15/43 (Alternative Minimum Tax) | 1/23 at 100.00 | AA | 1,112,760 |
| 500 | Port Authority of New York and New Jersey, Consolidated Revenue Bonds, One Hundred Thirty-Fourth Series 2004, 5.000%, 7/15/34 | 1/14 at 101.00 | AA | 518,965 |
| 50 | Port Authority of New York and New Jersey, Special Project Bonds, JFK International Air Terminal LLC, Sixth Series 1997, 5.750%, 12/01/22 NPF Insured (Alternative Minimum Tax) | 6/13 at 100.00 | BBB | 50,194 |
| 650 | South Jersey Transportation Authority, New Jersey, Transportation System Revenue Bonds, Series 2012, 5.000%, 11/01/22 | No Opt. Call | A | 794,372 |
| 11,780 | Total Transportation | | | 13,408,009 |
| U.S. Guaranteed 14.6% (10.0% of Total Investments) (5) | | | | |
| 95 | New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 5.500%, 6/15/16 (ETM) | No Opt. Call | Aaa | 109,804 |
| New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004: | | | | |
| 500 | 5.750%, 6/15/29 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 530,505 |
| 400 | 5.500%, 6/15/31 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 423,284 |
| 700 | 5.750%, 6/15/34 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 742,707 |
| 175 | New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2005B, 5.000%, 7/01/30 (Pre-refunded 7/01/16) NPF Insured | 7/16 at 100.00 | A (5) | 199,344 |
| 575 | New Jersey Educational Facilities Authority, Revenue Bonds, New Jersey Institute of Technology, Series 2004B, 5.000%, 7/01/21 (Pre-refunded 1/01/14) AMBAC Insured | 1/14 at 100.00 | A+ (5) | 593,159 |
| 500 | New Jersey Educational Facilities Authority, Revenue Bonds, William Paterson University, Series 2004A, 5.125%, 7/01/19 (Pre-refunded 7/01/14) FGIC Insured | 7/14 at 100.00 | AA (5) | 527,745 |
| New Jersey Health Care Facilities Financing Authority, Lease Revenue Bonds, Department of Human Services Greystone Park Psychiatric Hospital, Series 2005: | | | | |
| 655 | 5.000%, 9/15/18 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 725,622 |
| 985 | 5.000%, 9/15/24 (Pre-refunded 9/15/15) AMBAC Insured | 9/15 at 100.00 | A+ (5) | 1,091,203 |
| New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Capital Health System Obligated Group, Series 2003A: | | | | |
| 750 | 5.000%, 7/01/26 (Pre-refunded 7/01/13) | 7/13 at 100.00 | N/R (5) | 756,008 |
| 630 | 5.375%, 7/01/33 (Pre-refunded 7/01/13) | 7/13 at 100.00 | N/R (5) | 635,450 |
| 665 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2005D, 5.000%, 6/15/19 (Pre-refunded 6/15/15) AGM Insured | 6/15 at 100.00 | AA (5) | 729,478 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 15 | 6.500%, 1/01/16 (ETM) | No Opt. Call | A3 (5) | 17,425 |
| 185 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 214,907 |
| 1,590 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (5) | 1,712,859 |
| 20 | 6.500%, 1/01/16 NPF Insured (ETM) | No Opt. Call | A+ (5) | 21,545 |
| 250 | Newark Housing Authority, New Jersey, Port Authority Terminal Revenue Bonds, Series 2004, 5.250%, 1/01/21 (Pre-refunded 1/01/14) NPF Insured | 1/14 at 100.00 | N/R (5) | 258,295 |
| 1,070 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.375%, 6/01/32 (Pre-refunded 6/01/13) | 6/13 at 100.00 | Aaa | 1,075,682 |
| 9,760 | Total U.S. Guaranteed | | | 10,365,022 |
| Utilities 1.1% (0.7% of Total Investments) | | | | |

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| | | | | |
|-----|--|----------------|------|---------|
| 695 | New Jersey Economic Development Authority, Energy Facilities Revenue Bonds, UMM Energy Partners, LLC Project, Series 2012A, 5.125%, 6/15/43 (Alternative Minimum Tax) | 6/22 at 100.00 | Baa3 | 743,281 |
|-----|--|----------------|------|---------|

Nuveen Investments 63

Nuveen New Jersey Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|---------------|
| Water and Sewer 8.2% (5.7% of Total Investments) | | | | |
| \$ 150 | Guam Government Waterworks Authority, Water and Wastewater System Revenue Bonds, Series 2005, 6.000%, 7/01/25 | 7/15 at 100.00 | Ba2 | \$ 156,450 |
| New Jersey Economic Development Authority, Water Facilities Revenue Bonds, Middlesex Water Company, Series 2012C: | | | | |
| 520 | 5.000%, 10/01/23 | No Opt. Call | A | 634,587 |
| 2,115 | 4.250%, 10/01/47 (Alternative Minimum Tax) | 10/22 at 100.00 | A | 2,143,870 |
| 500 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010B, 5.600%, 11/01/34 (Alternative Minimum Tax) | 5/20 at 100.00 | A | 568,870 |
| 220 | New Jersey Economic Development Authority, Water Facilities Revenue Bonds, New Jersey-American Water Company Inc. Project, Refunding Series 2010D, 4.875%, 11/01/29 (Alternative Minimum Tax) | 11/20 at 100.00 | A | 240,415 |
| 660 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Tender Option Bond Trust 4729, 7.318%, 9/01/21 (IF) (4) | No Opt. Call | AAA | 916,780 |
| North Hudson Sewerage Authority, New Jersey, Gross Revenue Senior Lien Lease Certificates, Series 2012A: | | | | |
| 500 | 5.000%, 6/01/27 NPMFG Insured | 6/22 at 100.00 | A | 583,185 |
| 535 | 5.000%, 6/01/42 NPMFG Insured | 6/22 at 100.00 | A | 603,420 |
| 5,200 | Total Water and Sewer | | | 5,847,577 |
| \$ 103,725 | Total Investments (cost \$96,000,988) 145.1% | | | 103,122,129 |
| | MuniFund Term Preferred Shares, at Liquidation Value (49.3)% (6) | | | (35,050,000) |
| | Other Assets Less Liabilities 4.2% | | | 3,006,685 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 71,078,814 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
 - (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 34.0%
- N/R N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

Nuveen New Jersey Municipal Value Fund

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Consumer Staples 5.6% (5.6% of Total Investments) | | | | |
| Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2007-1A: | | | | |
| \$ 150 | 4.750%, 6/01/34 | 6/17 at 100.00 | B2 | \$ 132,134 |
| 1,520 | 5.000%, 6/01/41 | 6/17 at 100.00 | B2 | 1,358,135 |
| 1,670 | Total Consumer Staples | | | 1,490,269 |
| Education and Civic Organizations 8.8% (8.8% of Total Investments) | | | | |
| 25 | New Jersey Educational Facilities Authority, Revenue Bonds, Kean University, Series 2007D, 4.000%, 7/01/13 FGIC Insured | No Opt. Call | A2 | 25,140 |
| New Jersey Educational Facilities Authority, Revenue Bonds, Rider University, Series 2012A: | | | | |
| 50 | 5.000%, 7/01/32 | 7/21 at 100.00 | BBB+ | 55,306 |
| 30 | 5.000%, 7/01/37 | 7/21 at 100.00 | BBB+ | 32,848 |
| 40 | New Jersey Educational Facilities Authority, Revenue Bonds, William Paterson University, Series 2005E, 3.750%, 7/01/13 AGM Insured | No Opt. Call | AA | 40,199 |
| 900 | New Jersey Educational Facilities Authority, Revenue Refunding Bonds, Kean University, Series 2009A, 5.500%, 9/01/36 | 9/19 at 100.00 | A2 | 1,028,635 |
| 1,000 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2009A, 5.625%, 6/01/30 | 6/19 at 100.00 | AA | 1,128,100 |
| 30 | New Jersey Higher Education Assistance Authority, Student Loan Revenue Bonds, Series 2010-2, 5.000%, 12/01/30 | 12/20 at 100.00 | Aa3 | 33,302 |
| 2,075 | Total Education and Civic Organizations | | | 2,343,530 |
| Health Care 21.3% (21.1% of Total Investments) | | | | |
| 500 | Camden County Improvement Authority, New Jersey, Revenue Bonds, Cooper Health System, Series 2005A, 5.000%, 2/15/25 | 2/15 at 100.00 | BBB | 519,540 |
| 105 | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2007A, 5.750%, 11/15/37 | 11/17 at 100.00 | A | 115,743 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, Hospital Revenue Bonds, Virtua Health, Series 2009A, 5.500%, 7/01/38 AGC Insured (UB) (4) | 7/19 at 100.00 | AA | 2,225,400 |
| 1,000 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Hunterdon Medical Center, Series 2006B, 5.000%, 7/01/36 | 7/16 at 100.00 | A | 1,030,790 |
| 100 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Meridian Health, Series 2007-I, 5.000%, 7/01/38 AGC Insured | 7/18 at 100.00 | AA | 107,940 |
| 70 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Barnabas Health Care System, Refunding Series 2011A, 5.625%, 7/01/37 | 7/21 at 100.00 | BBB+ | 79,132 |
| 750 | New Jersey Health Care Facilities Financing Authority, Revenue Bonds, Saint Joseph's Healthcare System Obligated Group Issue, Series 2008, 6.000%, 7/01/18 | No Opt. Call | BBB | 844,493 |
| 705 | | 7/16 at 100.00 | A2 | 732,883 |

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New Jersey Health Care Facilities Financing Authority, Revenue Bonds, South Jersey Hospital System, Refunding Series 2006, 5.000%, 7/01/36

| | | | | | |
|-------|-------------------|--|--|--|-----------|
| 5,230 | Total Health Care | | | | 5,655,921 |
|-------|-------------------|--|--|--|-----------|

Housing/Multifamily 4.6% (4.6% of Total Investments)

New Jersey Economic Development Authority, Student Housing Revenue Bonds, Provident Group-Montclair Properties LLC, Montclair State University Student Housing Project, Series 2010A:

| | | | | |
|-------|--|-----------------|------|-----------|
| 100 | 5.750%, 6/01/31 | 6/20 at 100.00 | Baa3 | 114,514 |
| 50 | 5.875%, 6/01/42 | 6/20 at 100.00 | Baa3 | 56,957 |
| 1,000 | New Jersey Housing and Mortgage Finance Agency, Multifamily Housing Revenue Bonds, Series 2009A, 4.950%, 5/01/41 | 11/19 at 100.00 | A+ | 1,052,749 |
| 1,150 | Total Housing/Multifamily | | | 1,224,220 |

Nuveen Investments 65

Nuveen New Jersey Municipal Value Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Housing/Single Family 2.0% (1.9% of Total Investments) | | | | |
| New Jersey Housing and Mortgage Finance Agency, Single Family Home Mortgage Revenue Bonds, Series 2011A: | | | | |
| \$ 100 | 1.250%, 10/01/13 | No Opt. Call | Aa1 | \$ 100,329 |
| 410 | 4.500%, 10/01/29 | 10/21 at 100.00 | Aa1 | 422,632 |
| 510 | Total Housing/Single Family | | | 522,961 |
| Tax Obligation/General 9.3% (9.3% of Total Investments) | | | | |
| 100 | Bloomfield Township Board of Education, Essex County, New Jersey, General Obligation Bonds, Series 2011, 3.000%, 9/01/16 | No Opt. Call | AA | 106,110 |
| 75 | Clark Township Board of Education, Union County, New Jersey, General Obligation Bonds, School Series 2005, 4.000%, 6/01/13 AGM Insured | No Opt. Call | Aa3 | 75,248 |
| 50 | East Brunswick Township Board of Education, New Jersey, General Obligation Bonds, Series 2005, 4.250%, 11/01/13 AGM Insured | No Opt. Call | Aa2 | 51,025 |
| 55 | Essex County, New Jersey, General Obligation Bonds, Series 2005A, 5.000%, 6/01/13 AGM Insured | No Opt. Call | Aa2 | 55,224 |
| 40 | Gloucester Township Board of Education, Camden County, New Jersey, General Obligation Bonds, Series 2004, 5.000%, 8/01/13 NPFPG Insured | No Opt. Call | AA | 40,488 |
| 100 | Greenwich Township, New Jersey, General Obligation Bonds, Series 2004, 4.000%, 9/01/13 AMBAC Insured | No Opt. Call | A1 | 101,296 |
| 10 | Hillsborough Township School District, Somerset County, New Jersey, General Obligation School Bonds, Series 2001, 5.375%, 10/01/16 AGM Insured | No Opt. Call | AA | 11,649 |
| 255 | Millville, New Jersey, General Obligation Bonds, Improvement Series 2011, 5.000%, 11/01/14 AGM Insured | No Opt. Call | AA | 272,031 |
| 50 | Monmouth County Improvement Authority, New Jersey, Governmental Loan Revenue Bonds, Series 2005, 5.000%, 12/01/14 AMBAC Insured | No Opt. Call | N/R | 52,736 |
| 150 | Monmouth County Improvement Authority, New Jersey, Governmental Loan Revenue Bonds, Series 2006, 5.000%, 12/01/15 AMBAC Insured | No Opt. Call | N/R | 162,330 |
| 150 | Monmouth County Improvement Authority, New Jersey, Governmental Loan Revenue Bonds, Series 2007, 5.000%, 12/01/16 AMBAC Insured | No Opt. Call | N/R | 166,071 |
| 500 | Newark Housing Authority, New Jersey, City-Secured Police Facility Revenue Bonds, South Ward Police Facility, Series 2009A, 6.750%, 12/01/38 AGC Insured | 12/19 at 100.00 | A3 | 622,785 |
| 30 | North Bergen Township, New Jersey, General Obligation Bonds, General Improvement Series 2009, 4.000%, 2/01/17 | No Opt. Call | AA | 33,386 |
| 30 | North Brunswick Township, New Jersey, General Obligation Bonds, Series 2009, 2.000%, 8/15/13 | No Opt. Call | AA | 30,155 |
| 75 | Passaic County, New Jersey, General Obligation Bonds, Refunding Series 2009, 3.000%, 9/01/14 AGC Insured | No Opt. Call | Aa3 | 77,546 |
| 50 | Passaic County, New Jersey, General Obligation Bonds, Series 2004, 3.500%, 3/15/15 NPFPG Insured | No Opt. Call | Aa3 | 52,743 |
| 100 | Swedesboro Woolwich Consolidated School District, Gloucester County, New Jersey, General Obligation Bonds, Series 2006, 4.500%, 1/15/14 AGM Insured | No Opt. Call | Aa3 | 102,602 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 150 | Union County Utilities Authority, New Jersey, Resource Recovery Facility Lease Revenue Refunding Bonds, Covanta Union Inc. Lessee, Series 2011B, 5.250%, 12/01/31 (Alternative Minimum Tax) | 12/21 at 100.00 | AA+ | 167,843 |
| 170 | Union County Utilities Authority, New Jersey, Solid Waste System County Deficiency Revenue Bonds, Series 2011, 5.000%, 6/15/41 | 6/21 at 100.00 | AA+ | 195,208 |
| 100 | Upper Freehold Township, New Jersey, General Obligation Bonds, Series 2012, 3.000%, 12/15/14 | No Opt. Call | AA | 103,524 |
| 2,240 | Total Tax Obligation/General | | | 2,480,000 |

66 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|-----------|
| Tax Obligation/Limited 30.6% (30.4% of Total Investments) | | | | |
| \$ 25 | Essex County Improvement Authority, New Jersey, Lease Revenue Bonds, Series 2003, 5.000%, 12/15/13 AGM Insured | No Opt. Call | Aa2 | \$ 25,720 |
| 200 | Garden State Preservation Trust, New Jersey, Open Space and Farmland Preservation Bonds, Series 2005A, 5.750%, 11/01/28 AGM Insured | No Opt. Call | AAA | 270,706 |
| 630 | Guam Government, Limited Obligation Section 30 Revenue Bonds, Series 2009A, 5.750%, 12/01/34 | 12/19 at 100.00 | BBB+ | 703,880 |
| 25 | Monmouth County Improvement Authority, New Jersey, Governmental Loan Revenue Bonds, Series 2007, 4.000%, 12/01/13 AGM Insured | No Opt. Call | AA | 25,484 |
| 100 | New Jersey Economic Development Authority, Cigarette Tax Revenue Refunding Bonds, Series 2012, 5.000%, 6/15/14 | No Opt. Call | BBB+ | 104,963 |
| 700 | New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset Transformation Program, Series 2008A, 5.250%, 10/01/38 | 10/18 at 100.00 | A+ | 765,576 |
| 2,000 | New Jersey Health Care Facilities Financing Authority, State Contract Bonds, Hospital Asset Transformation Program, Series 2009A, 5.750%, 10/01/31 | 10/19 at 100.00 | A+ | 2,378,680 |
| 5,470 | New Jersey Transportation Trust Fund Authority, Transportation System Bonds, Series 2009A, 0.000%, 12/15/39 | No Opt. Call | A+ | 1,570,163 |
| 1,000 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42 | 8/19 at 100.00 | A+ | 1,095,990 |
| 105 | Virgin Islands Public Finance Authority, Matching Fund Loan Notes Revenue Bonds, Senior Lien Series 2010A, 5.000%, 10/01/29 | 10/20 at 100.00 | BBB+ | 116,768 |
| 1,000 | Virgin Islands Public Finance Authority, Revenue Bonds, Senior Lien Matching Fund Loan Notes, Series 2009A-1, 5.000%, 10/01/39 | 10/19 at 100.00 | BBB+ | 1,061,030 |
| 11,255 | Total Tax Obligation/Limited | | | 8,118,960 |
| Transportation 8.3% (8.2% of Total Investments) | | | | |
| 250 | Casino Reinvestment Development Authority, New Jersey, Parking Revenue Bonds, Series 2005A, 5.250%, 6/01/20 NPFQ Insured | 6/15 at 100.00 | A | 265,630 |
| 125 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/27 | No Opt. Call | BBB | 142,409 |
| 500 | New Jersey Economic Development Authority, Revenue Bonds, American Airlines Inc., Series 1991, 7.100%, 11/01/31 (Alternative Minimum Tax) (5) | 11/13 at 100.00 | N/R | 499,995 |
| 400 | New Jersey Economic Development Authority, Special Facilities Revenue Bonds, Continental Airlines Inc., Series 2003, 9.000%, 6/01/33 (Alternative Minimum Tax) | 6/13 at 100.00 | B | 411,992 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 15 | 6.500%, 1/01/16 | No Opt. Call | A3 | 17,279 |
| 5 | 6.500%, 1/01/16 AMBAC Insured | No Opt. Call | A3 | 5,760 |
| 765 | New Jersey Turnpike Authority, Revenue Bonds, Series 2009E, 5.250%, 1/01/40 | 1/19 at 100.00 | A+ | 857,695 |
| 2,060 | Total Transportation | | | 2,200,760 |
| U.S. Guaranteed 8.6% (8.6% of Total Investments) (6) | | | | |
| 50 | New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 5.500%, 6/15/16 RAAI Insured (ETM) | No Opt. Call | Aaa | 57,792 |
| 1,000 | New Jersey Economic Development Authority, Cigarette Tax Revenue Bonds, Series 2004, 5.750%, 6/15/34 (Pre-refunded 6/15/14) | 6/14 at 100.00 | Aaa | 1,061,010 |
| 50 | New Jersey Economic Development Authority, School Facilities Construction Bonds, Series 2007-T3, 5.000%, 9/01/20 (Pre-refunded 9/01/14) AGM Insured | 9/14 at 100.00 | AA (6) | 53,149 |
| 250 | New Jersey Environmental Infrastructure Trust, Environmental Infrastructure Bonds, Series 2004A, 5.000%, 9/01/22 (Pre-refunded 9/01/13) | 9/13 at 100.00 | AAA | 254,038 |
| New Jersey Turnpike Authority, Revenue Bonds, Series 1991C: | | | | |
| 15 | 6.500%, 1/01/16 (ETM) | No Opt. Call | A3 (6) | 17,425 |

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| | | | | |
|-----|------------------------------------|--------------|---------|---------|
| 70 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (6) | 81,316 |
| 365 | 6.500%, 1/01/16 (ETM) | No Opt. Call | AA+ (6) | 393,203 |
| 100 | 6.500%, 1/01/16 NPMG Insured (ETM) | No Opt. Call | A+ (6) | 107,727 |

Nuveen Investments 67

Nuveen New Jersey Municipal Value Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|---------------|
| U.S. Guaranteed (6) (continued) | | | | |
| \$ 10 | Tobacco Settlement Financing Corporation, New Jersey, Tobacco Settlement Asset-Backed Bonds, Series 2003, 6.375%, 6/01/32 (Pre-refunded 6/01/13) | 6/13 at 100.00 | Aaa | \$ 10,053 |
| 25 | Wayne Township School District, Passaic County, New Jersey, General Obligation Bonds, Series 2003, 4.000%, 7/15/14 (Pre-refunded 7/15/13) AGM Insured | 7/13 at 100.00 | Aa3 (6) | 25,199 |
| 220 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, ProHealth Care, Inc. Obligated Group, Series 2009, 6.625%, 2/15/32 (Pre-refunded 2/18/14) | 2/14 at 100.00 | A+ (6) | 231,061 |
| 2,155 | Total U.S. Guaranteed | | | 2,291,973 |
| Utilities 1.5% (1.5% of Total Investments) | | | | |
| 300 | Industrial Pollution Control Financing Authority of Cape May County (New Jersey), Pollution Control Revenue Refunding Bonds, 1991 Series A (Atlantic City Electric Company Project), 6.800%, 3/01/21 NPFPG Insured | No Opt. Call | A | 394,782 |
| \$ 28,645 | Total Investments (cost \$22,908,320) | 100.6% | | 26,723,376 |
| | Floating Rate Obligations | (5.6)% | | (1,500,000) |
| | Other Assets Less Liabilities | 5.0% | | 1,350,386 |
| | Net Assets Applicable to Common Shares | 100% | | \$ 26,573,762 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (5) At or subsequent to the end of the reporting period, this security is non-income producing. Non-income producing security, in the case of a fixed-income security, generally denotes that the issuer has (1) defaulted on the payment of principal or interest, (2) is under the protection of the Federal Bankruptcy Court or (3) the Fund's Adviser has concluded that the issue is not likely to meet its future interest payment obligations and has directed the Fund's custodian to cease accruing additional income on the Fund's records.
- (6) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

N/R Not rated.

(ETM) Escrowed to maturity.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Pennsylvania Investment Quality Municipal Fund

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Consumer Staples 0.5% (0.3% of Total Investments) | | | | |
| \$ 1,000 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Procter & Gamble Paper Project, Series 2001, 5.375%, 3/01/31 (Alternative Minimum Tax) | No Opt. Call | AA | \$ 1,265,550 |
| Education and Civic Organizations 20.9% (13.8% of Total Investments) | | | | |
| 200 | Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Refunding Bonds, Robert Morris College, Series 1998A, 6.000%, 5/01/28 | No Opt. Call | Baa3 | 236,328 |
| 700 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2012A, 5.000%, 3/01/24 | 3/22 at 100.00 | AA | 867,811 |
| 1,235 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Robert Morris University, Series 2006A, 4.750%, 2/15/26 | 2/16 at 100.00 | Baa3 | 1,251,018 |
| Delaware County Authority, Pennsylvania, Revenue Bonds, Villanova University, Series 2006: | | | | |
| 1,710 | 5.000%, 8/01/23 AMBAC Insured | 8/16 at 100.00 | A+ | 1,924,485 |
| 840 | 5.000%, 8/01/24 AMBAC Insured | 8/16 at 100.00 | A+ | 942,782 |
| Erie Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Gannon University, Series 2007-GG3: | | | | |
| 790 | 5.000%, 5/01/32 RAAI Insured | 5/17 at 100.00 | N/R | 820,431 |
| 250 | 5.000%, 5/01/35 RAAI Insured | 5/17 at 100.00 | N/R | 258,415 |
| Indiana County Industrial Development Authority, Pennsylvania, Revenue Bonds, Student Cooperative Association Inc./Indiana University of Pennsylvania Student Union Project, Series 1999B: | | | | |
| 815 | 0.000%, 11/01/15 AMBAC Insured | No Opt. Call | N/R | 770,420 |
| 815 | 0.000%, 11/01/16 AMBAC Insured | No Opt. Call | N/R | 748,146 |
| 815 | 0.000%, 11/01/17 AMBAC Insured | No Opt. Call | N/R | 724,046 |
| 815 | 0.000%, 11/01/18 AMBAC Insured | No Opt. Call | N/R | 698,414 |
| 815 | 0.000%, 11/01/19 AMBAC Insured | No Opt. Call | N/R | 670,158 |
| 1,985 | Lycoming County Authority, Pennsylvania, Revenue Bonds, Pennsylvania College of Technology, Series 2012, 5.000%, 5/01/32 | 5/22 at 100.00 | A | 2,209,186 |
| 1,515 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2006, 4.500%, 4/01/30 RAAI Insured | 4/16 at 100.00 | BBB+ | 1,554,966 |
| 900 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2010, 5.625%, 4/01/40 | 4/20 at 100.00 | BBB+ | 1,006,920 |
| 355 | New Wilmington, Pennsylvania, Revenue, Westminster College, Series 2007G, 5.125%, 5/01/33 RAAI Insured | 5/17 at 100.00 | N/R | 369,725 |
| 2,175 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Refunding Series 2012AN, 5.000%, 6/15/21 | No Opt. Call | AA | 2,697,283 |
| 4,600 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Series 2008AH, 5.000%, 6/15/33 | 6/18 at 100.00 | AA | 5,256,788 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 1,900 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, AICUP Financing Program-Mount Aloysius College Project, Series 2011R-1, 5.000%, 11/01/35 | 11/21 at 100.00 | A | 2,065,053 |
| 1,435 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Allegheny College, Series 2006, 4.750%, 5/01/31 | 5/16 at 100.00 | A | 1,549,384 |
| 2,650 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2007A, 5.000%, 5/01/37 NPMFG Insured | 11/17 at 100.00 | A | 2,891,283 |
| 750 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2011A, 5.250%, 5/01/41 | 5/21 at 100.00 | A | 851,280 |
| 3,870 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2006, 5.000%, 4/01/21 NPMFG Insured | 4/16 at 100.00 | Aa3 | 4,337,264 |
| 1,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2010, 5.000%, 3/01/40 | 3/20 at 100.00 | A+ | 1,111,320 |
| 300 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2012, 5.000%, 3/01/42 | 9/22 at 100.00 | A+ | 339,777 |
| 2,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania, Series 2005C, 5.000%, 7/15/38 | 7/15 at 100.00 | AA+ | 2,154,080 |

Nuveen Investments 69

Nuveen Pennsylvania Investment Quality Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Education and Civic Organizations (continued) | | | | |
| Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of the Sciences in Philadelphia, Series 2012: | | | | |
| \$ 285 | 4.000%, 11/01/39 | 11/22 at 100.00 | A3 | \$ 291,592 |
| 910 | 5.000%, 11/01/42 | 11/22 at 100.00 | A3 | 1,008,289 |
| 1,320 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Ursinus College, Series 2003, 5.375%, 1/01/20 RAAI Insured | 7/13 at 100.00 | A | 1,329,913 |
| 785 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, York College Project, Series 2005EE1, 5.250%, 11/01/27 SYNCORA GTY Insured | 11/15 at 100.00 | A | 860,125 |
| 6,500 | Pennsylvania State University, General Revenue Bonds, Series 2005, 5.000%, 9/01/29 (UB) | 9/15 at 100.00 | AA | 7,092,150 |
| 600 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, MaST Charter School Project, Series 2010, 6.000%, 8/01/35 | 8/20 at 100.00 | BBB+ | 682,746 |
| 3,650 | State Public School Building Authority, Pennsylvania, College Revenue Bonds, Northampton County Area Community College, Series 2011, 5.500%, 3/01/31 | 3/21 at 100.00 | A1 | 4,229,000 |
| 600 | Wilkes-Barre Finance Authority, Pennsylvania, Revenue Bonds, University of Scranton, Series 2010, 5.000%, 11/01/40 | 11/20 at 100.00 | A | 667,512 |
| 49,885 | Total Education and Civic Organizations | | | 54,468,090 |
| Health Care 25.5% (16.9% of Total Investments) | | | | |
| Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, Ohio Valley General Hospital, Series 2005A: | | | | |
| 1,150 | 5.000%, 4/01/25 | 4/15 at 100.00 | Ba3 | 1,137,247 |
| 1,555 | 5.125%, 4/01/35 | 4/15 at 100.00 | Ba3 | 1,489,768 |
| 3,360 | Beaver County Hospital Authority, Pennsylvania, Revenue Bonds, Heritage Valley Health System, Inc., Series 2012, 5.000%, 5/15/26 | 5/21 at 100.00 | AA | 3,861,547 |
| 1,400 | Berks County Municipal Authority, Pennsylvania, Revenue Bonds, Reading Hospital and Medical Center Project, Series 2012A, 5.000%, 11/01/44 | 5/22 at 100.00 | AA | 1,553,552 |
| 890 | Central Bradford Progress Authority, Pennsylvania, Revenue Bonds, Guthrie Health, Series 2011, 5.375%, 12/01/41 | 12/21 at 100.00 | AA | 1,013,870 |
| 2,460 | Centre County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Mount Nittany Medical Center Project, Series 2011, 7.000%, 11/15/46 | 11/21 at 100.00 | A | 3,143,782 |
| 595 | Chester County Health and Educational Facilities Authority, Pennsylvania, Health System Revenue Bonds, Jefferson Health System, Series 2010A, 5.000%, 5/15/40 | 5/20 at 100.00 | AA | 658,677 |
| 1,200 | Dauphin County General Authority, Pennsylvania, Health System Revenue Bonds, Pinnacle Health System Project, Series 2012A, 5.000%, 6/01/42 | 6/22 at 100.00 | A | 1,295,844 |
| 500 | Doylestown Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Series 2013A, 5.000%, 7/01/28 | 7/23 at 100.00 | BBB | 545,565 |
| 1,300 | Erie County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Saint Vincent Health Center Project, Series 2010A, 7.000%, 7/01/27 | 7/20 at 100.00 | Ba2 | 1,437,618 |
| 280 | Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2007, 5.000%, 11/01/37 CIFG Insured | 11/17 at 100.00 | Aa3 | 299,102 |

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| | | | | |
|-------|--|-----------------|-----|-----------|
| 3,335 | Franklin County Industrial Development Authority, Pennsylvania, Revenue Bonds, Chambersburg Hospital Project, Series 2010, 5.375%, 7/01/42 | 7/20 at 100.00 | A+ | 3,678,272 |
| 1,190 | Lancaster County Hospital Authority, Pennsylvania, Health System Revenue Bonds, Lancaster General Hospital Project, Tender Option Bond 4234, 13.569%, 1/01/36 (IF) | 1/22 at 100.00 | AA | 1,616,829 |
| 1,890 | Lancaster County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, The Lancaster General Hospital Project, Series 2007A, 5.000%, 3/15/26 | 3/17 at 100.00 | AA | 2,110,487 |
| | Lebanon County Health Facilities Authority, Pennsylvania, Revenue Bonds, Good Samaritan Hospital Project, Series 2002: | | | |
| 250 | 5.800%, 11/15/22 | 5/13 at 101.00 | Ba2 | 250,533 |
| 2,800 | 5.900%, 11/15/28 | 11/13 at 100.00 | Ba2 | 2,802,268 |
| 3,280 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2008A, 5.000%, 7/01/33 AGM Insured | 7/18 at 100.00 | AA | 3,516,258 |
| 1,620 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2012B, 4.000%, 7/01/43 | No Opt. Call | A+ | 1,626,723 |
| 5,345 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2007, 5.000%, 11/01/30 AGC Insured | 11/17 at 100.00 | AA | 5,995,807 |

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Health Care (continued) | | | | |
| \$ 1,700 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2012, 4.000%, 11/01/32 | No Opt. Call | A | \$ 1,723,511 |
| Lycoming County Authority, Pennsylvania, Health System Revenue Bonds, Susquehanna Health System Project, Series 2009A: | | | | |
| 3,000 | 5.500%, 7/01/28 | 7/19 at 100.00 | A | 3,301,350 |
| 1,000 | 5.750%, 7/01/39 | 7/19 at 100.00 | A | 1,104,260 |
| Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2012A: | | | | |
| 290 | 4.000%, 1/01/25 | 1/22 at 100.00 | A | 304,628 |
| 740 | 5.000%, 1/01/41 | 1/22 at 100.00 | A | 799,637 |
| 710 | Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2007, 5.125%, 1/01/37 | 1/17 at 100.00 | A | 742,518 |
| 1,600 | Montgomery County Higher Education and Health Authority, Pennsylvania, Hospital Revenue Bonds, Abington Memorial Hospital Obligated Group, Series 2012A, 5.000%, 6/01/31 | 6/22 at 100.00 | A | 1,791,312 |
| 215 | Montgomery County Industrial Development Authority, Pennsylvania, FHA Insured Mortgage Revenue Bonds, New Regional Medical Center Project, Series 2010, 5.375%, 8/01/38 | 8/20 at 100.00 | AA | 248,125 |
| 1,000 | Northampton County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Saint Lukes Hospital Project, Series 2008A, 5.500%, 8/15/35 | 8/18 at 100.00 | A3 | 1,095,030 |
| 390 | Pennsylvania Economic Development Financing Authority, Health System Revenue Bonds, Albert Einstein Healthcare, Series 2009A, 6.250%, 10/15/23 | 10/19 at 100.00 | BBB+ | 460,430 |
| 1,240 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania Health System, Series 2012A, 5.000%, 8/15/42 | 8/22 at 100.00 | AA | 1,386,915 |
| 1,795 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Health System Revenue Bonds, Jefferson Health System, Series 2010B, 5.000%, 5/15/40 | 5/20 at 100.00 | AA | 1,967,015 |
| 1,165 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Children's Hospital of Philadelphia, Tender Option Bond Trust 3975, 13.560%, 7/01/19 (IF) | No Opt. Call | AA | 1,588,058 |
| 1,800 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Temple University Health System Obligated Group, Series 2012A, 5.625%, 7/01/42 | 7/22 at 100.00 | BBB | 1,957,698 |
| 1,613 | South Fork Municipal Authority, Pennsylvania, Hospital Revenue Bonds, Conemaugh Valley Memorial Hospital, 5.500%, 7/01/29 | 7/20 at 100.00 | BBB+ | 1,785,188 |
| Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005: | | | | |
| 525 | 5.000%, 12/01/27 RAAI Insured | 12/15 at 100.00 | BBB | 540,708 |
| 370 | 5.000%, 12/01/29 RAAI Insured | 12/15 at 100.00 | BBB | 379,313 |
| Union County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Evangelical Community Hospital Project, Refunding and Improvement Series 2011: | | | | |
| 1,635 | 6.875%, 8/01/31 | 8/21 at 100.00 | BBB+ | 2,038,747 |
| 1,365 | 7.000%, 8/01/41 | 8/21 at 100.00 | BBB+ | 1,686,567 |
| 1,875 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity Project, Series 2011, 6.500%, 1/01/36 | 1/21 at 100.00 | BBB+ | 2,227,481 |
| 1,280 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity, Series 2011B, 5.625%, 1/01/32 | 1/22 at 100.00 | BBB+ | 1,440,525 |
| 59,708 | Total Health Care | | | 66,602,765 |

Housing/Multifamily 4.3% (2.9% of Total Investments)

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| | | | | |
|-------|---|----------------|------|-----------|
| 200 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Edinboro University Foundation Student Housing Project, Series 2010, 6.000%, 7/01/43 | 7/20 at 100.00 | Baa3 | 226,170 |
| | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Foundation for Student Housing at Indiana University, Project Series 2012A: | | | |
| 1,000 | 5.000%, 7/01/27 | 7/22 at 100.00 | BBB+ | 1,118,830 |
| 400 | 5.000%, 7/01/32 | 7/22 at 100.00 | BBB+ | 436,688 |
| 140 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Shippensburg University Student Services, Inc. Student Housing Project at Shippensburg University of Pennsylvania, Series 2012, 5.000%, 10/01/44 | No Opt. Call | BBB | 151,809 |
| 5,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Series 2007A, 5.000%, 7/01/39 SYNCORA GTY Insured | 7/17 at 100.00 | BBB+ | 5,196,800 |

Nuveen Investments 71

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Nuveen Pennsylvania Investment Quality Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Housing/Multifamily (continued) | | | | |
| \$ 3,300 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Student Housing Project, Series 2005A, 5.000%, 7/01/37 SYNCORA GTY Insured | 7/15 at 100.00 | BBB+ | \$ 3,371,874 |
| 800 | Philadelphia Authority for Industrial Development, Pennsylvania, Multifamily Housing Revenue Bonds, PresbyHomes Germantown-Morrisville Project, Series 2005A, 5.625%, 7/01/35 | 5/15 at 102.00 | Baa3 | 814,632 |
| 10,840 | Total Housing/Multifamily | | | 11,316,803 |
| Housing/Single Family 5.1% (3.4% of Total Investments) | | | | |
| 1,215 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006-96B, 3.950%, 4/01/16 | No Opt. Call | AA+ | 1,294,765 |
| 1,355 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-97A, 4.600%, 10/01/27 (Alternative Minimum Tax) | 10/16 at 100.00 | AA+ | 1,406,815 |
| 1,350 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-98A, 4.850%, 10/01/31 (Alternative Minimum Tax) | 10/16 at 100.00 | AA+ | 1,400,315 |
| 2,800 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2011-112, 5.000%, 10/01/25 | 10/20 at 100.00 | AA+ | 3,060,792 |
| | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2012-114: | | | |
| 1,875 | 3.300%, 10/01/32 | No Opt. Call | AA+ | 1,864,313 |
| 815 | 3.650%, 10/01/37 | No Opt. Call | AA+ | 818,505 |
| 1,175 | 3.700%, 10/01/42 | No Opt. Call | AA+ | 1,180,299 |
| | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 3950: | | | |
| 1,000 | 12.321%, 4/01/27 (IF) | 4/21 at 100.00 | AA+ | 1,279,770 |
| 300 | 10.496%, 4/01/33 (WI/DD, Settling 5/02/13) (IF) | 10/22 at 100.00 | AA+ | 306,309 |
| 525 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 4296, 14.310%, 4/01/29 (WI/DD, Settling 5/02/13) (Alternative Minimum Tax) (IF) | 10/22 at 100.00 | AA+ | 576,230 |
| 12,410 | Total Housing/Single Family | | | 13,188,113 |
| Industrials 1.5% (1.0% of Total Investments) | | | | |
| | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Refunding Bonds, Amtrak Project, Series 2012A: | | | |
| 1,275 | 5.000%, 11/01/23 (Alternative Minimum Tax) | 11/22 at 100.00 | A1 | 1,497,717 |
| 2,000 | 5.000%, 11/01/41 (Alternative Minimum Tax) | 11/22 at 100.00 | A1 | 2,175,780 |
| 350 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Project, Series 2009, 1.750%, 12/01/33 (Mandatory put 12/01/15) | No Opt. Call | BBB | 357,634 |
| 3,625 | Total Industrials | | | 4,031,131 |
| Long-Term Care 4.0% (2.7% of Total Investments) | | | | |
| 1,500 | Cumberland County Municipal Authority Revenue Bonds, Pennsylvania, Diakon Lutheran Social Ministries Project, Series 2009, 6.375%, 1/01/39 | 1/19 at 100.00 | BBB+ | 1,685,475 |
| 1,330 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Diakon Lutheran Social Ministries, Series 2007, 5.000%, 1/01/36 | 1/17 at 100.00 | BBB+ | 1,378,572 |
| 1,000 | Delaware County Authority, Pennsylvania, Revenue Bonds, Elwyn, Inc. Project, Series 2010, 5.000%, 6/01/21 | 6/17 at 100.00 | BBB | 1,076,320 |

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| | | | | | |
|-------|---|--|-----------------|------|------------|
| | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Masonic Homes Project, Series 2006: | | | | |
| 1,550 | 5.000%, 11/01/26 | | 11/16 at 100.00 | A | 1,631,329 |
| 415 | 5.000%, 11/01/36 | | 11/16 at 100.00 | A | 431,671 |
| 220 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Saint Anne s Retirement Community, Inc. , Series 2012, 5.000%, 4/01/33 | | 4/22 at 100.00 | BB+ | 224,272 |
| 1,500 | Langhorne Manor Borough Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Woods Services Project, Series 2013, 4.000%, 11/15/38 (WI/DD, Settling 5/02/13) | | 11/18 at 100.00 | A | 1,489,290 |
| 900 | Montgomery Count Industrial Development Authority, Pennsylvania, Revenue Refunding Bonds, ACTS Retirement-Life Communities, Inc. , Series 2012, 5.000%, 11/15/26 | | 5/22 at 100.00 | A | 1,015,758 |
| 1,500 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Philadelphia Corporation for the Aging Project, Series 2001B, 5.250%, 7/01/26 | | 7/13 at 100.00 | Baa1 | 1,503,705 |
| 9,915 | Total Long-Term Care | | | | 10,436,392 |

72 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Materials 1.2% (0.8% of Total Investments) | | | | |
| \$ 1,260 | Bradford County Industrial Development Authority, Pennsylvania, Solid Waste Disposal Revenue Bonds, International Paper Company, Series 2005B, 5.200%, 12/01/19 (Alternative Minimum Tax) | 12/15 at 100.00 | BBB | \$ 1,366,760 |
| 1,750 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Series 1997B, 6.125%, 11/01/27 (Alternative Minimum Tax) | 11/13 at 100.00 | N/R | 1,750,000 |
| 3,010 | Total Materials | | | 3,116,760 |
| Tax Obligation/General 36.5% (24.2% of Total Investments) | | | | |
| 3,430 | Allegheny County, Pennsylvania, General Obligation Bonds, Series 2011C-65, 5.375%, 5/01/31 | 5/21 at 100.00 | A+ | 3,919,221 |
| 3,000 | Bethel Park School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2009, 5.000%, 8/01/29 | 8/19 at 100.00 | Aa2 | 3,597,630 |
| | Centre County, Pennsylvania, General Obligation Bonds, Series 2012B: | | | |
| 310 | 4.000%, 7/01/24 | 7/20 at 100.00 | AA | 347,253 |
| 1,430 | 4.000%, 7/01/25 | 7/20 at 100.00 | AA | 1,585,312 |
| 915 | 4.000%, 7/01/26 | 7/20 at 100.00 | AA | 1,003,609 |
| 6,000 | Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 2002, 5.750%, 7/01/17 (UB) | No Opt. Call | A+ | 6,933,480 |
| 7,350 | Erie City School District, Erie County, Pennsylvania, General Obligation Bonds, Series 2000, 0.000%, 9/01/30 AMBAC Insured | No Opt. Call | N/R | 3,596,870 |
| 4,715 | Gateway School District, Allegheny County, Pennsylvania, General Obligation Bonds, Refunding Series 2012, 4.000%, 10/15/32 | 10/22 at 100.00 | Aa3 | 4,975,928 |
| 1,050 | Hampton Township School District, Allegheny County, Pennsylvania, General Obligation Bonds, Refunding Series 2011A, 4.000%, 11/15/18 | No Opt. Call | AA | 1,211,595 |
| 2,000 | Hempfield School District, Lancaster County, Pennsylvania, General Obligation Bonds, Series 2011A, 4.000%, 10/15/15 | No Opt. Call | Aa2 | 2,169,880 |
| 1,260 | Luzerne County, Pennsylvania, General Obligation Bonds, Series 2003C, 5.250%, 12/15/16 FGIC Insured | No Opt. Call | N/R | 1,389,465 |
| 5,000 | Pennsylvania Public School Building Authority, Lease Revenue Bonds, School District of Philadelphia, Series 2006B, 5.000%, 6/01/33 AGM Insured (UB) | 12/16 at 100.00 | AA | 5,415,550 |
| 4,830 | Pennsylvania State, General Obligation Bonds, Series 2007, Residuals 1986, 12.706%, 3/01/27 (IF) | 3/17 at 100.00 | AA+ | 6,510,792 |
| 1,675 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2007A, 5.000%, 6/01/34 FGIC Insured | No Opt. Call | AA | 2,051,674 |
| 2,620 | Philadelphia, Pennsylvania, General Obligation Bonds, Refunding Series 2011, 6.500%, 8/01/41 | 8/20 at 100.00 | A2 | 3,187,833 |
| 4,135 | Pine-Richland School District, Pennsylvania, General Obligation Bonds, School Improvement Series 2005, 5.000%, 7/15/35 AGM Insured | 7/15 at 100.00 | AA | 4,418,041 |
| 3,000 | Pittsburgh School District, Allegheny County, Pennsylvania, General Obligation Refunding Bonds, Series 2002A, 5.500%, 9/01/15 AGM Insured | No Opt. Call | AA | 3,323,070 |
| | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2012B: | | | |
| 2,590 | 5.000%, 9/01/25 | 9/22 at 100.00 | A1 | 3,064,125 |
| 2,965 | 5.000%, 9/01/26 | 9/22 at 100.00 | A1 | 3,474,921 |
| 1,765 | Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2012, 3.000%, 2/15/34 | 2/18 at 100.00 | Aa2 | 1,762,723 |
| 1,130 | Radnor Township, Pennsylvania, General Obligation Bonds, Series 2012, 4.000%, 11/01/37 | 11/22 at 100.00 | Aa1 | 1,196,444 |
| 1,070 | Schuylkill Valley School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2006A, 5.000%, 4/01/22 FGIC Insured | 4/16 at 100.00 | Aa3 | 1,194,580 |
| 630 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012A, 8.500%, 9/01/22 | No Opt. Call | N/R | 648,327 |
| 630 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012C, 7.250%, 9/01/22 | No Opt. Call | N/R | 614,741 |

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| | | | | |
|--|--|----------------|------|------------|
| 21,000 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District, Series 2003, 5.500%, 6/01/28 AGM Insured (UB) (4) | No Opt. Call | AA | 27,769,350 |
| 84,500 | Total Tax Obligation/General | | | 95,362,414 |
| Tax Obligation/Limited 9.2% (6.1% of Total Investments) | | | | |
| 500 | Allentown Neighborhood Improvement Zone Development Authority, Pennsylvania, Tax Revenue Bonds, Series 2012A, 5.000%, 5/01/35 | 5/22 at 100.00 | Baa2 | 539,845 |

Nuveen Investments 73

Nuveen Pennsylvania Investment Quality Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Tax Obligation/Limited (continued) | | | | |
| \$ 300 | Commonwealth Financing Authority, Pennsylvania, State Appropriation Lease Bonds, Series 2013B, 4.000%, 6/01/15 | No Opt. Call | AA | \$ 321,927 |
| Government of Guam, Business Privilege Tax Bonds, Series 2011A: | | | | |
| 1,670 | 5.250%, 1/01/36 | 1/22 at 100.00 | A | 1,887,501 |
| 655 | 5.125%, 1/01/42 | 1/22 at 100.00 | A | 732,152 |
| Pennsylvania Economic Development Financing Authority, Unemployment Compensation Revenue Bonds, Series 2012A: | | | | |
| 2,000 | 5.000%, 7/01/15 | No Opt. Call | Aaa | 2,204,260 |
| 4,000 | 5.000%, 7/01/16 | No Opt. Call | Aaa | 4,575,480 |
| 2,140 | Pennsylvania Turnpike Commission, Oil Franchise Tax Revenue Bonds, Senior Lien Series 2003A, 5.000%, 12/01/32 NPFPG Insured | 12/18 at 100.00 | AA | 2,422,266 |
| 2,700 | Philadelphia Municipal Authority, Pennsylvania, Lease Revenue Bonds, Series 2003B, 5.250%, 11/15/17 AGM Insured | 11/13 at 100.00 | AA | 2,771,820 |
| 3,140 | Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/32 FGIC Insured | No Opt. Call | BBB+ | 970,448 |
| 2,500 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.500%, 8/01/44 | 8/19 at 100.00 | A+ | 2,838,850 |
| 1,625 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2010A, 5.500%, 8/01/42 | 2/20 at 100.00 | A+ | 1,712,311 |
| 3,000 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2011A-1, 5.000%, 8/01/43 | 8/21 at 100.00 | A+ | 3,070,050 |
| 24,230 | Total Tax Obligation/Limited | | | 24,046,910 |
| Transportation 13.2% (8.8% of Total Investments) | | | | |
| 400 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 447,120 |
| Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012: | | | | |
| 2,310 | 5.000%, 1/01/24 | No Opt. Call | BBB | 2,692,028 |
| 205 | 5.000%, 1/01/25 | No Opt. Call | BBB | 237,413 |
| 2,035 | Lehigh-Northampton Airport Authority, Pennsylvania, Airport Revenue Bonds, Lehigh Valley Airport System, Series 2000A, 6.000%, 5/15/30 NPFPG Insured (Alternative Minimum Tax) | 5/13 at 100.00 | Baa2 | 2,036,791 |
| 1,200 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010A, 5.000%, 12/01/38 | 12/19 at 100.00 | AA | 1,332,960 |
| 2,500 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2012A, 5.000%, 12/01/31 | 12/21 at 100.00 | AA | 2,844,500 |
| 3,000 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Turnpike Subordinate Special Revenue, Series 2011B, 5.000%, 12/01/41 | 12/21 at 100.00 | AA | 3,341,760 |
| 6,600 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Capital Appreciation Series 2009E, 0.000%, 12/01/38 | 12/27 at 100.00 | A | 6,773,448 |
| Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A: | | | | |
| 3,820 | 5.000%, 12/01/22 AMBAC Insured | 6/16 at 100.00 | A+ | 4,226,410 |
| 2,930 | 5.000%, 12/01/24 AMBAC Insured | 6/16 at 100.00 | A+ | 3,223,059 |

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| | | | | |
|--|---|-----------------|----------|------------|
| 750 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Subordinate Lien, Refunding Series 2010B-1, 5.000%, 12/01/37 | 12/19 at 100.00 | A | 810,832 |
| 5,600 | Philadelphia Airport System, Pennsylvania, Revenue Bonds, Series 2005A, 4.750%, 6/15/35 NPFPG Insured (Alternative Minimum Tax) | 6/15 at 100.00 | A+ | 5,845,671 |
| 800 | Scranton Parking Authority, Pennsylvania, Guaranteed Parking Revenue Bonds, Series 2004, 5.000%, 9/15/33 FGIC Insured | 9/13 at 100.00 | N/R | 764,983 |
| 32,150 | Total Transportation | | | 34,576,975 |
| U.S. Guaranteed 12.8% (8.5% of Total Investments) (5) | | | | |
| 1,500 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Presbyterian Homes Inc., Series 2003A, 5.000%, 12/01/26 (Pre-refunded 6/10/2013) RAAI Insured | 6/13 at 100.00 | BBB+ (5) | 1,501,080 |
| 1,400 | Delaware County Regional Water Quality Control Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2004, 5.250%, 5/01/20 (Pre-refunded 5/01/14) NPFPG Insured | 5/14 at 100.00 | N/R (5) | 1,469,608 |

74 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| U.S. Guaranteed (5) (continued) | | | | |
| \$ 630 | Delaware River Joint Toll Bridge Commission, New Jersey and Pennsylvania, Revenue Bonds, Series 2003, 5.250%, 7/01/17 (Pre-refunded 7/01/13) | 7/13 at 100.00 | A2 (5) | \$ 635,317 |
| 5,525 | Hazleton Area School District, Luzerne County, Pennsylvania, General Obligation Bonds, Series 2004, 5.125%, 3/01/28 (Pre-refunded 9/01/14) AGM Insured | 9/14 at 100.00 | A1 (5) | 5,882,357 |
| 1,125 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, St. Luke's Hospital of Bethlehem, Series 2003, 5.375%, 8/15/33 (Pre-refunded 8/15/13) | 8/13 at 100.00 | AA+ (5) | 1,141,999 |
| 1,250 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2004A, 5.500%, 11/01/24 (Pre-refunded 11/01/14) | 11/14 at 100.00 | A (5) | 1,346,238 |
| 6,680 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, LaSalle University, Series 2003, 5.500%, 5/01/26 (Pre-refunded 5/01/13) | 5/13 at 100.00 | BBB+ (5) | 6,686,814 |
| 1,625 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Ursinus College, Series 2003, 5.375%, 1/01/20 (Pre-refunded 7/01/13) RAAI Insured | 7/13 at 100.00 | N/R (5) | 1,638,910 |
| 1,560 | Pennsylvania, General Obligation Bonds, First Series 2006, 5.000%, 10/01/18 (Pre-refunded 10/01/16) | 10/16 at 100.00 | AA+ (5) | 1,798,852 |
| 500 | Pennsylvania, General Obligation Bonds, Second Series 2005, 5.000%, 1/01/18 (Pre-refunded 1/01/16) | 1/16 at 100.00 | AA+ (5) | 560,650 |
| | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Franklin Towne Charter High School, Series 2006A: | | | |
| 510 | 5.250%, 1/01/27 (Pre-refunded 1/01/17) | 1/17 at 100.00 | Baa1 (5) | 590,794 |
| 860 | 5.375%, 1/01/32 (Pre-refunded 1/01/17) | 1/17 at 100.00 | Baa1 (5) | 1,000,120 |
| 465 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Twelfth Series 1990B, 7.000%, 5/15/20 NPF Insured (ETM) | No Opt. Call | A (5) | 568,091 |
| 960 | St. Mary Hospital Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East, Series 2004B, 5.375%, 11/15/34 (Pre-refunded 11/15/14) | 11/14 at 100.00 | A+ (5) | 1,033,171 |
| 445 | State Public School Building Authority, Pennsylvania, School Revenue Bonds, Conneaut School District, Series 2003, 5.250%, 11/01/21 (Pre-refunded 11/01/13) FGIC Insured | 11/13 at 100.00 | A (5) | 456,223 |
| 2,000 | Trinity Area School District, Washington County, Pennsylvania, General Obligation Bonds, Series 2003, 5.250%, 11/01/20 (Pre-refunded 11/01/13) FGIC Insured | 11/13 at 100.00 | A+ (5) | 2,050,739 |
| 2,465 | Warrington Township Municipal Authority, Bucks County, Pennsylvania, Water and Sewer Revenue Bonds, Series 1991, 7.100%, 12/01/21 (Pre-refunded 11/15/15) FGIC Insured | 11/15 at 100.00 | N/R (5) | 2,813,868 |
| 1,965 | West View Borough Municipal Authority, Allegheny County, Pennsylvania, Special Obligation Bonds, Series 1985A, 9.500%, 11/15/14 (ETM) | No Opt. Call | Aaa | 2,169,634 |
| 31,465 | Total U.S. Guaranteed | | | 33,344,465 |
| Utilities 6.4% (4.3% of Total Investments) | | | | |
| 1,250 | Allegheny County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, Duquesne Light Company, Series 1999A, 4.350%, 12/01/13 AMBAC Insured | No Opt. Call | A2 | 1,273,575 |
| 5,475 | Beaver County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, FirstEnergy Nuclear Generation Project, Series 2008A, 2.700%, 4/01/35 (Mandatory put 4/02/18) | No Opt. Call | BBB | 5,594,300 |
| 1,430 | Lehigh County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Bonds, Pennsylvania Power and Light Company, Series 2005, 4.750%, 2/15/27 FGIC Insured | 2/15 at 100.00 | A | 1,465,536 |
| 700 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1, 5.000%, 9/01/26 AGM Insured | 9/14 at 100.00 | AA | 732,417 |
| 2,000 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Seventeenth Series 2003, 5.375%, 7/01/19 AGM Insured | 7/13 at 100.00 | AA | 2,013,980 |
| 5,490 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Seventh Series, 2007, 5.000%, 10/01/37 AMBAC Insured | 10/17 at 100.00 | BBB+ | 5,727,168 |
| 16,345 | Total Utilities | | | 16,806,976 |

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Water and Sewer 7.0% (4.6% of Total Investments)

| | | | | |
|-------|---|-----------------|----|-----------|
| 2,100 | Allegheny County Sanitary Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2005A, 5.000%, 12/01/21 NPFPG Insured | 12/15 at 100.00 | A1 | 2,315,691 |
| 2,205 | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 2004, 5.000%, 11/15/20 AGM Insured | 11/14 at 100.00 | AA | 2,360,210 |

Nuveen Investments 75

Nuveen Pennsylvania Investment Quality Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|------------------------------------|---|------------------------------|-------------|--------------|
| Water and Sewer (continued) | | | | |
| \$ 2,000 | Harrisburg Authority, Dauphin County, Pennsylvania, Water Revenue Refunding Bonds, Series 2004, 5.000%, 7/15/22 AGM Insured | 7/14 at 100.00 | AA | \$ 2,021,940 |
| 1,600 | Luzerne County Industrial Development Authority, Pennsylvania, Water Facility Revenue Refunding Bonds, Pennsylvania-American Water Company, Series 2009, 5.500%, 12/01/39 | 12/19 at 100.00 | A | 1,801,248 |
| 500 | Pennsylvania Economic Development Financing Authority, Sewage Sludge Disposal Revenue Bonds, Philadelphia Biosolids Facility Project, Series 2009, 6.250%, 1/01/32 | 1/20 at 100.00 | BBB | 576,150 |
| 3,500 | Pennsylvania Economic Development Financing Authority, Water Facilities Revenue Bonds, Aqua Pennsylvania, Inc. Project, Series 2009A, 5.000%, 10/01/39 | 10/19 at 100.00 | AA | 3,900,504 |
| 2,150 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2005A, 5.000%, 7/01/23 AGM Insured | 7/15 at 100.00 | AA | 2,326,579 |
| 2,620 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2011A, 5.000%, 1/01/41 | 1/21 at 100.00 | A1 | 2,946,896 |
| 16,675 | Total Water and Sewer | | | 18,249,218 |
| \$ 355,758 | Total Long-Term Investments (cost \$355,271,926) | 148.1% | | 386,812,562 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|----------------|
| Short-Term Investments 2.5% (1.7% of Total Investments) | | | | |
| Tax Obligation/Limited 2.5% (1.7% of Total Investments) | | | | |
| \$ 6,635 | Erie County Convention Center Authority, Pennsylvania, Hotel Revenue Bonds, Variable Rate Demand Obligations, Tender Option Bond Trust 4140Z, 0.240%, 1/15/36 NPMFG Insured (6) | No Opt. Call | A-1 | \$ 6,635,000 |
| | Total Short-Term Investments (cost \$6,635,000) | | | 6,635,000 |
| | Total Investments (cost \$361,906,926) | 150.6% | | 393,447,562 |
| | Floating Rate Obligations (9.9)% | | | (25,810,000) |
| | Variable Rate Demand Preferred Shares, at Liquidation Value (43.1)% (7) | | | (112,500,000) |
| | Other Assets Less Liabilities 2.4% | | | 6,057,656 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 261,195,218 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- (5) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (6)

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Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.

(7) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 28.6%

N/R Not rated.

WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Pennsylvania Premium Income Municipal Fund 2

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Education and Civic Organizations 27.1% (18.8% of Total Investments) | | | | |
| \$ 200 | Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Refunding Bonds, Robert Morris College, Series 1998A, 6.000%, 5/01/28 | No Opt. Call | Baa3 | \$ 236,328 |
| 445 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2012A, 5.000%, 3/01/24 | 3/22 at 100.00 | AA | 551,680 |
| 5,000 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2013, 5.000%, 3/01/28 | 3/23 at 100.00 | AA | 6,071,700 |
| Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Duquesne University, Series 2013A: | | | | |
| 1,000 | 5.000%, 3/01/33 | 3/23 at 100.00 | A2 | 1,155,850 |
| 2,965 | 3.500%, 3/01/34 | 3/23 at 100.00 | A2 | 2,956,461 |
| 1,140 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Robert Morris University, Series 2006A, 4.750%, 2/15/26 | 2/16 at 100.00 | Baa3 | 1,154,786 |
| Delaware County Authority, Pennsylvania, Revenue Bonds, Villanova University, Series 2006: | | | | |
| 1,565 | 5.000%, 8/01/23 AMBAC Insured | 8/16 at 100.00 | A+ | 1,761,298 |
| 770 | 5.000%, 8/01/24 AMBAC Insured | 8/16 at 100.00 | A+ | 864,217 |
| Erie Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Gannon University, Series 2007-GG3: | | | | |
| 725 | 5.000%, 5/01/32 RAAI Insured | 5/17 at 100.00 | N/R | 752,927 |
| 250 | 5.000%, 5/01/35 RAAI Insured | 5/17 at 100.00 | N/R | 258,415 |
| 3,060 | Indiana County Industrial Development Authority, Pennsylvania, Revenue Bonds, Student Cooperative Association Inc./Indiana University of Pennsylvania Student Union Project, Series 2004, 5.000%, 11/01/24 AMBAC Insured | 11/14 at 100.00 | N/R | 3,099,749 |
| 1,985 | Lycoming County Authority, Pennsylvania, Revenue Bonds, Pennsylvania College of Technology, Series 2012, 5.000%, 5/01/32 | 5/22 at 100.00 | A | 2,209,186 |
| 1,575 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2006, 4.500%, 4/01/30 RAAI Insured | 4/16 at 100.00 | BBB+ | 1,616,549 |
| 855 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2010, 5.625%, 4/01/40 | 4/20 at 100.00 | BBB+ | 956,574 |
| 325 | New Wilmington, Pennsylvania, Revenue, Westminster College, Series 2007G, 5.125%, 5/01/33 RAAI Insured | 5/17 at 100.00 | N/R | 338,481 |
| 4,200 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Series 2008AH, 5.000%, 6/15/33 | 6/18 at 100.00 | AA | 4,799,676 |
| 1,195 | Pennsylvania Higher Educational Facilities Authority, Philadelphia University Refunding Revenue Bonds, Refunding Series 2013, 5.000%, 6/01/32 | 6/23 at 100.00 | BBB | 1,316,806 |
| 1,285 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Allegheny College, Series 2006, 4.750%, 5/01/31 | 5/16 at 100.00 | A | 1,387,427 |
| 2,420 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2007A, 5.000%, 5/01/37 NPMF Insured | 11/17 at 100.00 | A | 2,640,341 |

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| | | | | |
|-------|--|-----------------|------|-----------|
| 750 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2011A, 5.250%, 5/01/41 | 5/21 at 100.00 | A | 851,280 |
| 320 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, LaSalle University, Series 2012, 4.000%, 5/01/32 | 11/22 at 100.00 | BBB+ | 321,635 |
| 3,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2006, 5.000%, 4/01/21 NCFG Insured | 4/16 at 100.00 | Aa3 | 3,362,220 |
| 1,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2010, 5.000%, 3/01/40 | 3/20 at 100.00 | A+ | 1,111,320 |
| 300 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2012, 5.000%, 3/01/42 | 9/22 at 100.00 | A+ | 339,777 |
| 2,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania, Series 2005C, 5.000%, 7/15/38 | 7/15 at 100.00 | AA+ | 2,154,080 |

Nuveen Investments 77

Nuveen Pennsylvania Premium Income Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Education and Civic Organizations (continued) | | | | |
| | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of the Sciences in Philadelphia, Series 2012: | | | |
| \$ 485 | 4.000%, 11/01/39 | 11/22 at 100.00 | A3 | \$ 496,218 |
| 2,910 | 5.000%, 11/01/42 | 11/22 at 100.00 | A3 | 3,224,309 |
| 590 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Ursinus College, Series 2003, 5.500%, 1/01/24 RAAI Insured | 7/13 at 100.00 | A | 594,266 |
| 700 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Widener University, Series 2003, 5.400%, 7/15/36 | 7/13 at 100.00 | A | 706,566 |
| 800 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, York College Project, Series 2005EE1, 5.250%, 11/01/27 SYNCORA GTY Insured | 11/15 at 100.00 | A | 876,560 |
| 1,000 | Pennsylvania Higher Educational Facilities Authority, University of the Sciences in Philadelphia Revenue Bonds, Series 2005, 4.750%, 11/01/33 SYNCORA GTY Insured | 5/15 at 100.00 | A3 | 1,057,960 |
| 2,000 | Pennsylvania State University, General Revenue Bonds, Series 2010, 5.000%, 3/01/35 | 3/20 at 100.00 | AA | 2,350,800 |
| 10,600 | Pennsylvania State University, General Revenue Bonds, Series 2007A, 4.500%, 8/15/36 (UB) | 8/16 at 100.00 | AA | 11,273,100 |
| 530 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, MaST Charter School Project, Series 2010, 6.000%, 8/01/35 | 8/20 at 100.00 | BBB+ | 603,092 |
| 1,545 | State Public School Building Authority, Pennsylvania, College Revenue Bonds, Montgomery County Community College, Series 2005, 5.000%, 5/01/18 AMBAC Insured | 5/15 at 100.00 | Aa3 | 1,674,919 |
| 300 | Wilkes-Barre Finance Authority, Pennsylvania, Revenue Bonds, University of Scranton, Series 2010, 5.000%, 11/01/40 | 11/20 at 100.00 | A | 333,756 |
| 59,790 | Total Education and Civic Organizations | | | 65,460,309 |
| Health Care 28.4% (19.7% of Total Investments) | | | | |
| | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, Ohio Valley General Hospital, Series 2005A: | | | |
| 1,150 | 5.000%, 4/01/25 | 4/15 at 100.00 | Ba3 | 1,137,247 |
| 1,455 | 5.125%, 4/01/35 | 4/15 at 100.00 | Ba3 | 1,393,963 |
| | Beaver County Hospital Authority, Pennsylvania, Revenue Bonds, Heritage Valley Health System, Inc., Series 2012: | | | |
| 1,210 | 5.000%, 5/15/27 | 5/21 at 100.00 | AA | 1,378,275 |
| 2,000 | 5.000%, 5/15/28 | 5/21 at 100.00 | AA | 2,264,820 |
| 2,070 | Central Bradford Progress Authority, Pennsylvania, Revenue Bonds, Guthrie Health, Series 2011, 5.375%, 12/01/41 | 12/21 at 100.00 | AA | 2,358,103 |
| 1,640 | Centre County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Mount Nittany Medical Center Project, Series 2011, 7.000%, 11/15/46 | 11/21 at 100.00 | A | 2,095,854 |
| 825 | Dauphin County General Authority, Pennsylvania, Health System Revenue Bonds, Pinnacle Health System Project, Series 2012A, 5.000%, 6/01/42 | 6/22 at 100.00 | A | 890,893 |
| 1,000 | Doylestown Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Series 2013A, 5.000%, 7/01/28 | 7/23 at 100.00 | BBB | 1,091,130 |
| 1,200 | Erie County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Saint Vincent Health Center Project, Series 2010A, 7.000%, 7/01/27 | 7/20 at 100.00 | Ba2 | 1,327,032 |
| 395 | Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2007, 5.000%, 11/01/37 CIFG Insured | 11/17 at 100.00 | Aa3 | 421,947 |
| 1,835 | | 7/20 at 100.00 | A+ | 2,023,877 |

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Franklin County Industrial Development Authority, Pennsylvania, Revenue Bonds,
Chambersburg Hospital Project, Series 2010, 5.375%, 7/01/42

| | | | | |
|-------|--|-----------------|-----|-----------|
| 1,320 | Lancaster County Hospital Authority, Pennsylvania, Health System Revenue Bonds, Lancaster General Hospital Project, Tender Option Bond 4234, 13.569%, 1/01/36 (IF) | 1/22 at 100.00 | AA | 1,793,458 |
| 1,885 | Lancaster County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, The Lancaster General Hospital Project, Series 2007A, 5.000%, 3/15/26 | 3/17 at 100.00 | AA | 2,104,904 |
| 5,000 | Lebanon County Health Facilities Authority, Pennsylvania, Revenue Bonds, Good Samaritan Hospital Project, Series 2002, 5.900%, 11/15/28 | 11/13 at 100.00 | Ba2 | 5,004,050 |
| 2,990 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2008A, 5.000%, 7/01/33 AGM Insured | 7/18 at 100.00 | AA | 3,205,370 |

78 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|--------------|
| Health Care (continued) | | | | |
| \$ 1,490 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2012B, 4.000%, 7/01/43 | No Opt. Call | A+ | \$ 1,496,184 |
| 4,505 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2007, 5.000%, 11/01/30 AGC Insured | 11/17 at 100.00 | AA | 5,053,529 |
| 1,700 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2012, 4.000%, 11/01/32 | No Opt. Call | A | 1,723,511 |
| Lycoming County Authority, Pennsylvania, Health System Revenue Bonds, Susquehanna Health System Project, Series 2009A: | | | | |
| 3,000 | 5.500%, 7/01/28 | 7/19 at 100.00 | A | 3,301,350 |
| 1,000 | 5.750%, 7/01/39 | 7/19 at 100.00 | A | 1,104,260 |
| 890 | Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2012A, 5.000%, 1/01/41 | 1/22 at 100.00 | A | 961,725 |
| 650 | Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2007, 5.125%, 1/01/37 | 1/17 at 100.00 | A | 679,770 |
| 1,450 | Montgomery County Higher Education and Health Authority, Pennsylvania, Hospital Revenue Bonds, Abington Memorial Hospital Obligated Group, Series 2012A, 5.000%, 6/01/31 | 6/22 at 100.00 | A | 1,623,377 |
| 565 | Montgomery County Industrial Development Authority, Pennsylvania, FHA Insured Mortgage Revenue Bonds, New Regional Medical Center Project, Series 2010, 5.375%, 8/01/38 | 8/20 at 100.00 | AA | 652,050 |
| Northampton County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Saint Lukes Hospital Project, Series 2008A: | | | | |
| 1,235 | 5.250%, 8/15/23 | 8/18 at 100.00 | A3 | 1,384,509 |
| 1,000 | 5.500%, 8/15/35 | 8/18 at 100.00 | A3 | 1,095,030 |
| 780 | Pennsylvania Economic Development Financing Authority, Health System Revenue Bonds, Albert Einstein Healthcare, Series 2009A, 6.250%, 10/15/23 | 10/19 at 100.00 | BBB+ | 920,860 |
| 930 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania Health System, Series 2012A, 5.000%, 8/15/42 | 8/22 at 100.00 | AA | 1,040,186 |
| 3,575 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Health System Revenue Bonds, Jefferson Health System, Series 2010B, 5.000%, 5/15/40 | 5/20 at 100.00 | AA | 3,917,592 |
| 695 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Children's Hospital of Philadelphia, Tender Option Bond Trust 3975, 13.560%, 7/01/19 (IF) | No Opt. Call | AA | 947,382 |
| 2,000 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Temple University Health System Obligated Group, Series 2012A, 5.625%, 7/01/42 | 7/22 at 100.00 | BBB | 2,175,220 |
| 2,000 | Pottsville Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pottsville Hospital and Warne Clinic, Series 1998, 5.625%, 7/01/24 | 7/13 at 100.00 | N/R | 2,001,220 |
| Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005: | | | | |
| 475 | 5.000%, 12/01/27 RAAI Insured | 12/15 at 100.00 | BBB | 489,212 |
| 330 | 5.000%, 12/01/29 RAAI Insured | 12/15 at 100.00 | BBB | 338,306 |
| Union County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Evangelical Community Hospital Project, Refunding and Improvement Series 2011: | | | | |
| 1,495 | 6.875%, 8/01/31 | 8/21 at 100.00 | BBB+ | 1,864,175 |
| 1,135 | 7.000%, 8/01/41 | 8/21 at 100.00 | BBB+ | 1,402,383 |
| 1,500 | Washington County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, The Washington Hospital Project, Series 2013A, 5.000%, 7/01/28 | 7/23 at 100.00 | BBB+ | 1,660,590 |
| 1,720 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity Project, Series 2011, 6.500%, 1/01/36 | 1/21 at 100.00 | BBB+ | 2,043,343 |
| 1,300 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity, Series 2011B, 5.750%, 1/01/41 | 1/22 at 100.00 | BBB+ | 1,491,360 |

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| | | | | |
|--------|--|----------------|----|------------|
| 575 | Westmoreland County Industrial Development Authority, Pennsylvania, Health System Revenue Bonds, Excelsa Health Project, Series 2010A, 5.125%, 7/01/30 | 7/20 at 100.00 | A3 | 635,490 |
| 61,970 | Total Health Care | | | 68,493,537 |

Nuveen Investments 79

Nuveen Pennsylvania Premium Income Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Housing/Multifamily 4.0% (2.7% of Total Investments) | | | | |
| \$ 160 | Chester County Industrial Development Authority, Pennsylvania, Student Housing Revenue Bonds, University Student Housing, LLC Project at West Chester University Series 2013A, 5.000%, 8/01/45 | 8/23 at 100.00 | Baa3 | \$ 169,456 |
| 1,940 | Delaware County Industrial Development Authority, Pennsylvania, Multifamily Housing Revenue Bonds, Darby Townhouses Project, Series 2002A, 5.500%, 4/01/32 (Mandatory put 4/01/22) (Alternative Minimum Tax) | 10/12 at 100.00 | AA+ | 1,963,532 |
| 750 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Edinboro University Foundation Student Housing Project, Series 2010, 6.000%, 7/01/43 | 7/20 at 100.00 | Baa3 | 848,138 |
| 130 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Shippensburg University Student Services, Inc. Student Housing Project at Shippensburg University of Pennsylvania, Series 2012, 5.000%, 10/01/44 | No Opt. Call | BBB | 140,966 |
| | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Student Housing Project, Series 2005A: | | | |
| 2,035 | 5.000%, 7/01/19 SYNCORA GTY Insured | 7/15 at 100.00 | BBB+ | 2,153,681 |
| 3,400 | 5.000%, 7/01/37 SYNCORA GTY Insured | 7/15 at 100.00 | BBB+ | 3,474,052 |
| 740 | Philadelphia Authority for Industrial Development, Pennsylvania, Multifamily Housing Revenue Bonds, PresbyHomes Germantown-Morrisville Project, Series 2005A, 5.625%, 7/01/35 | 5/15 at 102.00 | Baa3 | 753,535 |
| 9,155 | Total Housing/Multifamily | | | 9,503,360 |
| Housing/Single Family 5.4% (3.7% of Total Investments) | | | | |
| 1,355 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-97A, 4.600%, 10/01/27 (Alternative Minimum Tax) (UB) | 10/16 at 100.00 | AA+ | 1,406,815 |
| 1,090 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-98A, 4.850%, 10/01/31 (Alternative Minimum Tax) (UB) | 10/16 at 100.00 | AA+ | 1,130,624 |
| 2,410 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2011-112, 5.000%, 10/01/25 | 10/20 at 100.00 | AA+ | 2,634,467 |
| | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2012-114: | | | |
| 2,380 | 3.300%, 10/01/32 | No Opt. Call | AA+ | 2,366,434 |
| 1,040 | 3.650%, 10/01/37 | No Opt. Call | AA+ | 1,044,472 |
| 1,490 | 3.700%, 10/01/42 | No Opt. Call | AA+ | 1,496,720 |
| | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 3950: | | | |
| 1,820 | 12.321%, 4/01/27 (IF) | 4/21 at 100.00 | AA+ | 2,329,181 |
| 225 | 10.496%, 4/01/33 (WI/DD, Settling 5/02/13) (IF) | 10/22 at 100.00 | AA+ | 229,732 |
| 395 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 4296, 14.310%, 4/01/29 (WI/DD, Settling 5/02/13) (Alternative Minimum Tax) (IF) | 10/22 at 100.00 | AA+ | 433,544 |
| 12,205 | Total Housing/Single Family | | | 13,071,989 |
| Industrials 0.7% (0.5% of Total Investments) | | | | |
| 1,220 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Refunding Bonds, Amtrak Project, Series 2012A, 5.000%, 11/01/23 (Alternative Minimum Tax) | 11/22 at 100.00 | A1 | 1,433,110 |
| 320 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Project, Series 2009, 1.750%, 12/01/33 (Mandatory put 12/01/15) | No Opt. Call | BBB | 326,979 |
| 1,540 | Total Industrials | | | 1,760,089 |

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Long-Term Care 5.9% (4.1% of Total Investments)

| | | | | |
|-------|--|-----------------|------|-----------|
| 1,500 | Cumberland County Municipal Authority Revenue Bonds, Pennsylvania, Diakon Lutheran Social Ministries Project, Series 2009, 6.375%, 1/01/39 | 1/19 at 100.00 | BBB+ | 1,685,475 |
| 4,905 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Diakon Lutheran Social Ministries, Series 2007, 5.000%, 1/01/36 | 1/17 at 100.00 | BBB+ | 5,084,131 |
| 500 | Delaware County Authority, Pennsylvania, Revenue Bonds, Elwyn, Inc. Project, Series 2010, 5.000%, 6/01/21 | 6/17 at 100.00 | BBB | 538,160 |
| | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Masonic Homes Project, Series 2006: | | | |
| 1,565 | 5.000%, 11/01/31 | 11/16 at 100.00 | A | 1,634,658 |
| 230 | 5.000%, 11/01/36 | 11/16 at 100.00 | A | 239,239 |

80 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Long-Term Care (continued) | | | | |
| \$ 210 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Saint Anne's Retirement Community, Inc., Series 2012, 5.000%, 4/01/33 | 4/22 at 100.00 | BB+ | \$ 214,078 |
| 825 | Montgomery County Industrial Development Authority, Pennsylvania, Revenue Refunding Bonds, ACTS Retirement-Life Communities, Inc., Series 2012, 5.000%, 11/15/26 | 5/22 at 100.00 | A | 931,112 |
| | Pennsylvania Economic Development Financing Authority, Revenue Bonds, Dr. Gertrude A. Barber Center Inc., Series 2000: | | | |
| 1,000 | 6.150%, 12/01/20 RAAI Insured | 8/13 at 100.00 | BBB | 1,002,670 |
| 2,000 | 5.900%, 12/01/30 RAAI Insured | 6/13 at 100.00 | BBB | 2,002,800 |
| 930 | Pennsylvania Economic Development Financing Authority, Revenue Bonds, Northwestern Human Services Inc., Series 1998A, 5.250%, 6/01/28 | 6/13 at 100.00 | N/R | 930,893 |
| 13,665 | Total Long-Term Care | | | 14,263,216 |
| Materials 2.4% (1.7% of Total Investments) | | | | |
| 1,190 | Bradford County Industrial Development Authority, Pennsylvania, Solid Waste Disposal Revenue Bonds, International Paper Company, Series 2005B, 5.200%, 12/01/19 (Alternative Minimum Tax) | 12/15 at 100.00 | BBB | 1,290,829 |
| 4,500 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Series 1997B, 6.125%, 11/01/27 (Alternative Minimum Tax) | 11/13 at 100.00 | N/R | 4,500,000 |
| 5,690 | Total Materials | | | 5,790,829 |
| Tax Obligation/General 20.1% (14.0% of Total Investments) | | | | |
| 3,965 | Allegheny County, Pennsylvania, General Obligation Bonds, Series C69-C70 of 2012, 5.000%, 12/01/37 | 12/22 at 100.00 | A+ | 4,369,271 |
| 3,025 | Bethel Park School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2009, 5.000%, 8/01/29 | 8/19 at 100.00 | Aa2 | 3,627,610 |
| | Harrisburg Redevelopment Authority, Dauphin County, Pennsylvania, Guaranteed Revenue Bonds, Series 1998B: | | | |
| 1,750 | 0.000%, 5/01/22 AGM Insured | 5/16 at 75.56 | AA | 1,084,615 |
| 2,750 | 0.000%, 11/01/22 AGM Insured | 5/16 at 73.64 | AA | 1,659,708 |
| 2,750 | 0.000%, 5/01/23 AGM Insured | 5/16 at 71.71 | AA | 1,608,338 |
| 260 | Lower Merion School District, Montgomery County, Pennsylvania, General Obligation Bonds, Series 2007, 5.000%, 9/01/23 | 9/17 at 100.00 | Aaa | 304,619 |
| 2,115 | Owen J. Roberts School District, Chester County, Pennsylvania, General Obligation Bonds, Series 2006, 5.000%, 5/15/24 AGM Insured | 5/16 at 100.00 | Aa2 | 2,385,001 |
| 4,835 | Pennsylvania State, General Obligation Bonds, Series 2007, Residuals 1986, 12.559%, 3/01/15 (IF) | No Opt. Call | AA+ | 6,517,532 |
| 1,500 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2007A, 5.000%, 6/01/34 FGIC Insured | No Opt. Call | AA | 1,837,320 |
| | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2011C: | | | |
| 1,000 | 5.000%, 9/01/14 | No Opt. Call | AA | 1,061,110 |
| 1,400 | 5.000%, 9/01/15 | No Opt. Call | AA | 1,541,694 |
| 1,555 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2011D, 4.000%, 9/01/15 | No Opt. Call | AA | 1,676,383 |
| 3,775 | Pine-Richland School District, Pennsylvania, General Obligation Bonds, School Improvement Series 2005, 5.000%, 7/15/35 AGM Insured | 7/15 at 100.00 | AA | 4,033,399 |
| 3,050 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2012B, 5.000%, 9/01/26 | 9/22 at 100.00 | A1 | 3,574,539 |
| 2,700 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2006B, 5.250%, 9/01/16 AGM Insured | No Opt. Call | AA | 3,069,009 |
| 1,600 | Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2012, 3.000%, 2/15/34 | 2/18 at 100.00 | Aa2 | 1,597,936 |
| 6,710 | Reading School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2003B, 0.000%, 1/15/32 FGIC Insured | No Opt. Call | A | 3,308,835 |

| | | | | |
|-----|---|--------------|-----|---------|
| 585 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012A, 8.500%, 9/01/22 | No Opt. Call | N/R | 602,018 |
|-----|---|--------------|-----|---------|

Nuveen Investments 81

Nuveen Pennsylvania Premium Income Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Tax Obligation/General (continued) | | | | |
| \$ 585 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012C, 7.250%, 9/01/22 | No Opt. Call | N/R | \$ 570,831 |
| 1,400 | Woodland Hills School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2005D, 5.000%, 9/01/17 AGM Insured | 9/15 at 100.00 | AA | 1,546,188 |
| 2,400 | York County, Pennsylvania, General Obligation Bonds, Series 2006, 5.000%, 6/01/33 NPDFG Insured | 12/15 at 100.00 | AA | 2,610,432 |
| 49,710 | Total Tax Obligation/General | | | 48,586,388 |
| Tax Obligation/Limited 10.3% (7.1% of Total Investments) | | | | |
| 500 | Allentown Neighborhood Improvement Zone Development Authority, Pennsylvania, Tax Revenue Bonds, Series 2012A, 5.000%, 5/01/35 | 5/22 at 100.00 | Baa2 | 539,845 |
| 1,500 | Erie County Convention Center Authority, Pennsylvania, Convention Center Revenue Bonds, Series 2005, 5.000%, 1/15/36 FGIC Insured | 1/15 at 100.00 | AA | 1,586,550 |
| 3,000 | Pennsylvania Economic Development Financing Authority, Unemployment Compensation Revenue Bonds, Series 2012A, 5.000%, 7/01/16 | No Opt. Call | Aaa | 3,431,610 |
| 1,950 | Pennsylvania Turnpike Commission, Oil Franchise Tax Revenue Bonds, Senior Lien Series 2003A, 5.000%, 12/01/32 NPDFG Insured | 12/18 at 100.00 | AA | 2,207,205 |
| 5,015 | Philadelphia Municipal Authority, Pennsylvania, Lease Revenue Bonds, Series 2003B, 5.250%, 11/15/17 AGM Insured | 11/13 at 100.00 | AA | 5,148,399 |
| 2,550 | Pittsburgh and Allegheny County Sports and Exhibition Authority, Pennsylvania, Hotel Room Excise Tax Revenue Bonds, Refunding Series 2012, 5.000%, 2/01/26 AGC Insured | 8/22 at 100.00 | AA | 2,982,480 |
| 6,000 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.500%, 7/01/29 AMBAC Insured | No Opt. Call | Baa3 | 6,251,580 |
| 2,880 | Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/32 FGIC Insured | No Opt. Call | BBB+ | 890,093 |
| 5,670 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, Senior Series 2011C, 0.000%, 8/01/39 | No Opt. Call | AA | 1,359,269 |
| 435 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 NPDFG Insured | No Opt. Call | BBB+ | 471,088 |
| 29,500 | Total Tax Obligation/Limited | | | 24,868,119 |
| Transportation 10.6% (7.4% of Total Investments) | | | | |
| 1,480 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 1,654,344 |
| | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012: | | | |
| 1,270 | 5.000%, 1/01/22 | No Opt. Call | BBB | 1,499,235 |
| 1,080 | 5.000%, 1/01/23 | No Opt. Call | BBB | 1,276,495 |
| 2,200 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010A, 5.000%, 12/01/38 | 12/19 at 100.00 | AA | 2,443,760 |
| 5,500 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Capital Appreciation Series 2009E, 0.000%, 12/01/38 | 12/27 at 100.00 | A | 5,644,540 |
| 2,680 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/24 AMBAC Insured | 6/16 at 100.00 | A+ | 2,948,054 |

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| | | | | |
|--------|--|-----------------|-----|------------|
| 1,400 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Subordinate Lien, Refunding Series 2010B-1, 5.000%, 12/01/37 | 12/19 at 100.00 | A | 1,513,554 |
| 3,490 | Philadelphia Airport System, Pennsylvania, Revenue Bonds, Series 2005A, 4.750%, 6/15/35 NCFG Insured (Alternative Minimum Tax) | 6/15 at 100.00 | A+ | 3,643,106 |
| 2,000 | Pittsburgh Public Parking Authority, Pennsylvania, Parking Revenue Bonds, Series 2005B, 5.000%, 12/01/23 FGIC Insured | 12/15 at 100.00 | N/R | 2,095,720 |
| 2,250 | Scranton Parking Authority, Pennsylvania, Guaranteed Revenue Bonds, Series 2007, 5.250%, 6/01/39 RAAI Insured | 6/17 at 100.00 | N/R | 2,001,735 |
| 940 | Scranton Parking Authority, Pennsylvania, Guaranteed Parking Revenue Bonds, Series 2004, 5.000%, 9/15/33 FGIC Insured | 9/13 at 100.00 | N/R | 898,856 |
| 24,290 | Total Transportation | | | 25,619,399 |

82 Nuveen Investments

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| Principal | | | Optional Call | Ratings (3) | Value |
|--|--|--|-----------------|-------------|--------------|
| Amount (000) | Description (1) | | Provisions (2) | | |
| U.S. Guaranteed 14.4% (9.9% of Total Investments) (4) | | | | | |
| \$ 1,245 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Duquesne University, Series 2004A, 5.000%, 3/01/19 (Pre-refunded 3/01/14) FGIC Insured | | 3/14 at 100.00 | A (4) | \$ 1,293,630 |
| 1,000 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Presbyterian Homes Inc., Series 2003A, 5.000%, 12/01/22 (Pre-refunded 6/10/13) RAAI Insured | | 6/13 at 100.00 | BBB+ (4) | 1,001,190 |
| | Delaware County Authority, Pennsylvania, Revenue Refunding Bonds, Villanova University, Series 2003: | | | | |
| 1,705 | 5.250%, 8/01/19 (Pre-refunded 8/01/13) FGIC Insured | | 8/13 at 100.00 | A1 (4) | 1,726,449 |
| 1,350 | 5.250%, 8/01/20 (Pre-refunded 8/01/13) FGIC Insured | | 8/13 at 100.00 | A1 (4) | 1,366,983 |
| 1,000 | 5.250%, 8/01/21 (Pre-refunded 8/01/13) FGIC Insured | | 8/13 at 100.00 | A1 (4) | 1,012,580 |
| 1,615 | Delaware County Regional Water Quality Control Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2004, 5.250%, 5/01/23 (Pre-refunded 5/01/14) NPFPG Insured | | 5/14 at 100.00 | N/R (4) | 1,695,298 |
| 650 | Delaware River Joint Toll Bridge Commission, New Jersey and Pennsylvania, Revenue Bonds, Series 2003, 5.250%, 7/01/17 (Pre-refunded 7/01/13) | | 7/13 at 100.00 | A2 (4) | 655,486 |
| 3,500 | Hazleton Area School District, Luzerne County, Pennsylvania, General Obligation Bonds, Series 2004, 5.125%, 3/01/28 (Pre-refunded 9/01/14) AGM Insured | | 9/14 at 100.00 | A1 (4) | 3,726,380 |
| 1,250 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2004A, 5.500%, 11/01/24 (Pre-refunded 11/01/14) | | 11/14 at 100.00 | A (4) | 1,346,238 |
| 475 | Pennsylvania Higher Educational Facilities Authority, College Revenue Bonds, Ninth Series 1976, 7.625%, 7/01/15 (ETM) | | No Opt. Call | Aaa | 511,870 |
| 720 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Ursinus College, Series 2003, 5.500%, 1/01/24 (Pre-refunded 7/01/13) RAAI Insured | | 7/13 at 100.00 | N/R (4) | 726,314 |
| 3,200 | Pennsylvania, General Obligation Bonds, First Series 2006, 5.000%, 10/01/18 (Pre-refunded 10/01/16) | | 10/16 at 100.00 | AA+ (4) | 3,689,952 |
| 1,000 | Pennsylvania, General Obligation Bonds, Second Series 2005, 5.000%, 1/01/18 (Pre-refunded 1/01/16) | | 1/16 at 100.00 | AA+ (4) | 1,121,300 |
| | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Franklin Towne Charter High School, Series 2006A: | | | | |
| 470 | 5.250%, 1/01/27 (Pre-refunded 1/01/17) | | 1/17 at 100.00 | Baa1 (4) | 544,457 |
| 790 | 5.375%, 1/01/32 (Pre-refunded 1/01/17) | | 1/17 at 100.00 | Baa1 (4) | 918,715 |
| 3,385 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Presbyterian Medical Center of Philadelphia, Series 1993, 6.650%, 12/01/19 (ETM) | | No Opt. Call | AA+ (4) | 4,096,256 |
| 1,970 | Puerto Rico, Highway Revenue Bonds, Highway and Transportation Authority, Series 2003AA, 5.500%, 7/01/19 NPFPG Insured (ETM) | | No Opt. Call | A (4) | 2,512,006 |
| 1,015 | St. Mary Hospital Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East, Series 2004B, 5.375%, 11/15/34 (Pre-refunded 11/15/14) | | 11/14 at 100.00 | A+ (4) | 1,092,363 |
| 4,060 | State Public School Building Authority, Pennsylvania, Lease Revenue Bonds, Philadelphia School District, Series 2003, 5.000%, 6/01/33 (Pre-refunded 6/01/13) AGM Insured | | 6/13 at 100.00 | AA+ (4) | 4,076,768 |
| | State Public School Building Authority, Pennsylvania, School Revenue Bonds, Conneaut School District, Series 2003: | | | | |
| 360 | 5.250%, 11/01/21 (Pre-refunded 11/01/13) FGIC Insured | | 11/13 at 100.00 | A (4) | 369,079 |
| 490 | 5.250%, 11/01/22 (Pre-refunded 11/01/13) FGIC Insured | | 11/13 at 100.00 | A (4) | 502,358 |
| 605 | West View Borough Municipal Authority, Allegheny County, Pennsylvania, Special Obligation Bonds, Series 1985A, 9.500%, 11/15/14 (ETM) | | No Opt. Call | Aaa | 668,005 |
| 31,855 | Total U.S. Guaranteed | | | | 34,653,677 |

Nuveen Pennsylvania Premium Income Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|--------------|
| Utilities 4.3% (3.0% of Total Investments) | | | | |
| \$ 1,125 | Allegheny County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, Duquesne Light Company, Series 1999A, 4.350%, 12/01/13 AMBAC Insured | No Opt. Call | A2 | \$ 1,146,218 |
| 2,150 | Lehigh County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Bonds, Pennsylvania Power and Light Company, Series 2005, 4.750%, 2/15/27 FGIC Insured | 2/15 at 100.00 | A | 2,203,428 |
| 700 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1, 5.000%, 9/01/26 AGM Insured | 9/14 at 100.00 | AA | 732,417 |
| 1,000 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Seventeenth Series 2003, 5.375%, 7/01/19 AGM Insured | 7/13 at 100.00 | AA | 1,006,987 |
| 5,050 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Seventh Series, 2007, 5.000%, 10/01/37 AMBAC Insured | 10/17 at 100.00 | BBB+ | 5,268,158 |
| 10,025 | Total Utilities | | | 10,357,208 |
| Water and Sewer 10.6% (7.4% of Total Investments) | | | | |
| Allegheny County Sanitary Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2005A: | | | | |
| 1,900 | 5.000%, 12/01/21 NPFQ Insured | 12/15 at 100.00 | A1 | 2,095,149 |
| 2,120 | 5.000%, 12/01/23 NPFQ Insured | 12/15 at 100.00 | A1 | 2,329,732 |
| 545 | 5.000%, 12/01/30 NPFQ Insured | 12/15 at 100.00 | A1 | 591,919 |
| 2,500 | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 2004, 5.000%, 11/15/20 AGM Insured | 11/14 at 100.00 | AA | 2,675,975 |
| Bucks County Water and Sewer Authority, Pennsylvania, Revenue Bonds, Tender Option Bond Trust 4015: | | | | |
| 1,665 | 13.151%, 12/01/19 AGM Insured (IF) (5) | No Opt. Call | AA | 2,480,584 |
| 205 | 13.138%, 12/01/19 AGM Insured (IF) (5) | No Opt. Call | AA | 300,756 |
| 2,000 | Harrisburg Authority, Dauphin County, Pennsylvania, Water Revenue Refunding Bonds, Series 2004, 5.000%, 7/15/22 AGM Insured | 7/14 at 100.00 | AA | 2,021,940 |
| 1,600 | Luzerne County Industrial Development Authority, Pennsylvania, Water Facility Revenue Refunding Bonds, Pennsylvania-American Water Company, Series 2009, 5.500%, 12/01/39 | 12/19 at 100.00 | A | 1,801,248 |
| Norristown Municipal Waste Authority, Pennsylvania, Sewer Revenue Bonds, Series 2003: | | | | |
| 1,140 | 5.125%, 11/15/22 FGIC Insured | 11/13 at 100.00 | N/R | 1,154,056 |
| 2,535 | 5.125%, 11/15/23 FGIC Insured | 11/13 at 100.00 | N/R | 2,564,812 |
| 500 | Pennsylvania Economic Development Financing Authority, Sewage Sludge Disposal Revenue Bonds, Philadelphia Biosolids Facility Project, Series 2009, 6.250%, 1/01/32 | 1/20 at 100.00 | BBB | 576,150 |
| 2,000 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2005A, 5.000%, 7/01/23 AGM Insured | 7/15 at 100.00 | AA | 2,164,260 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|------------------------------------|---|------------------------------|-------------|----------------|
| Water and Sewer (continued) | | | | |
| \$ 2,440 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2011A, 5.000%, 1/01/41 | 1/21 at 100.00 | A1 | \$ 2,744,437 |
| 2,000 | Unity Township Municipal Authority, Pennsylvania, Sewerage Revenue Bonds, Series 2004, 5.000%, 12/01/34 AGM Insured | 12/14 at 100.00 | AA | 2,109,759 |
| 23,150 | Total Water and Sewer | | | 25,610,777 |
| \$ 332,545 | Total Investments (cost \$320,017,036) 144.2% | | | 348,038,897 |
| | Floating Rate Obligations (3.1%) | | | (7,555,000) |
| | Variable Rate Demand Preferred Shares, at Liquidation Value (43.5%) (6) | | | (105,000,000) |
| | Other Assets Less Liabilities 2.4% | | | 5,955,641 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 241,439,538 |

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

(2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.

(3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.

(4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.

(5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.

(6) Variable Rate Demand Preferred Shares, at Liquidation Value as a percentage of Total Investments is 30.2%

N/R Not rated.

WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.

(ETM) Escrowed to maturity.

(IF) Inverse floating rate investment.

(UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Pennsylvania Dividend Advantage Municipal Fund

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Consumer Staples 2.4% (1.7% of Total Investments) | | | | |
| \$ 1,000 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Procter & Gamble Paper Project, Series 2001, 5.375%, 3/01/31 (Alternative Minimum Tax) | No Opt. Call | AA | \$ 1,265,550 |
| Education and Civic Organizations 22.3% (15.8% of Total Investments) | | | | |
| 100 | Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Refunding Bonds, Robert Morris College, Series 1998A, 6.000%, 5/01/28 | No Opt. Call | Baa3 | 118,164 |
| 235 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Robert Morris University, Series 2006A, 4.750%, 2/15/26 | 2/16 at 100.00 | Baa3 | 238,048 |
| 700 | Chester County Health and Education Facilities Authority, Pennsylvania, Revenue Bonds, Immaculata University, Series 2005, 5.500%, 10/15/25 | 10/15 at 102.00 | N/R | 729,127 |
| 720 | Chester County Industrial Development Authority, Pennsylvania, Avon Grove Charter School Revenue Bonds, Series 2007A, 6.375%, 12/15/37 | 12/17 at 100.00 | BBB | 758,707 |
| 300 | Delaware County Authority, Pennsylvania, General Revenue Bonds, Eastern University, Series 2006, 4.500%, 10/01/27 RAAI Insured | 10/16 at 100.00 | N/R | 302,448 |
| Delaware County Authority, Pennsylvania, Revenue Bonds, Villanova University, Series 2006: | | | | |
| 295 | 5.000%, 8/01/23 AMBAC Insured | 8/16 at 100.00 | A+ | 332,002 |
| 145 | 5.000%, 8/01/24 AMBAC Insured | 8/16 at 100.00 | A+ | 162,742 |
| 160 | Erie Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Gannon University, Series 2007-GG3, 5.000%, 5/01/32 RAAI Insured | 5/17 at 100.00 | N/R | 166,163 |
| 200 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2010, 5.625%, 4/01/40 | 4/20 at 100.00 | BBB+ | 223,760 |
| 1,000 | Montgomery County Industrial Development Authority, Pennsylvania, Revenue Bonds, Hill School, Series 2005, 5.000%, 8/15/27 NPFPG Insured | 8/15 at 100.00 | A1 | 1,079,140 |
| 75 | New Wilmington, Pennsylvania, Revenue, Westminster College, Series 2007G, 5.125%, 5/01/33 RAAI Insured | 5/17 at 100.00 | N/R | 78,111 |
| 500 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Refunding Series 2012AN, 5.000%, 6/15/21 | No Opt. Call | AA | 620,065 |
| 900 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Series 2008AH, 5.000%, 6/15/33 | 6/18 at 100.00 | AA | 1,028,502 |
| 500 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, AICUP Financing Program-Mount Aloysius College Project, Series 2011R-1, 5.000%, 11/01/35 | 11/21 at 100.00 | A | 543,435 |
| 220 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Allegheny College, Series 2006, 4.750%, 5/01/31 | 5/16 at 100.00 | A | 237,536 |
| 540 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2007A, 5.000%, 5/01/37 NPFPG Insured | 11/17 at 100.00 | A | 589,167 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 400 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Gwynedd Mercy College, Series 2012-KK1, 5.375%, 5/01/42 | 5/22 at 100.00 | BBB | 425,368 |
| 700 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2006, 5.000%, 4/01/21 NPFPG Insured | 4/16 at 100.00 | Aa3 | 784,518 |
| 70 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2012, 5.000%, 3/01/42 | 9/22 at 100.00 | A+ | 79,281 |
| | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of the Sciences in Philadelphia, Series 2012: | | | |
| 120 | 4.000%, 11/01/39 | 11/22 at 100.00 | A3 | 122,776 |
| 215 | 5.000%, 11/01/42 | 11/22 at 100.00 | A3 | 238,222 |
| 1,000 | Pennsylvania State University, General Revenue Bonds, Series 2010, 5.000%, 3/01/35 | 3/20 at 100.00 | AA | 1,175,400 |
| 470 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Leadership Learning Partners, Series 2005A, 5.375%, 7/01/36 | 1/15 at 100.00 | N/R | 320,493 |

86 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Education and Civic Organizations (continued) | | | | |
| \$ 110 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, MaST Charter School Project, Series 2010, 6.000%, 8/01/35 | 8/20 at 100.00 | BBB+ | \$ 125,170 |
| 230 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Richard Allen Preparatory Charter School, Series 2006, 6.250%, 5/01/33 | 5/16 at 100.00 | BBB | 238,896 |
| 750 | State Public School Building Authority, Pennsylvania, College Revenue Bonds, Northampton County Area Community College, Series 2011, 5.500%, 3/01/31 | 3/21 at 100.00 | A1 | 868,973 |
| 150 | Wilkes-Barre Finance Authority, Pennsylvania, Revenue Bonds, University of Scranton, Series 2010, 5.000%, 11/01/40 | 11/20 at 100.00 | A | 166,878 |
| 10,805 | Total Education and Civic Organizations | | | 11,753,092 |
| Health Care 27.4% (19.3% of Total Investments) | | | | |
| 550 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, Ohio Valley General Hospital, Series 2005A, 5.125%, 4/01/35 | 4/15 at 100.00 | Ba3 | 526,928 |
| 385 | Allentown Area Hospital Authority, Pennsylvania, Revenue Bonds, Sacred Heart Hospital, Series 2005, 6.000%, 11/15/16 | No Opt. Call | N/R | 415,142 |
| 700 | Beaver County Hospital Authority, Pennsylvania, Revenue Bonds, Heritage Valley Health System, Inc., Series 2012, 5.000%, 5/15/27 | 5/21 at 100.00 | AA | 797,349 |
| 765 | Berks County Municipal Authority, Pennsylvania, Revenue Bonds, Reading Hospital and Medical Center Project, Series 2012A, 5.000%, 11/01/44 | 5/22 at 100.00 | AA | 848,905 |
| 445 | Central Bradford Progress Authority, Pennsylvania, Revenue Bonds, Guthrie Health, Series 2011, 5.375%, 12/01/41 | 12/21 at 100.00 | AA | 506,935 |
| 175 | Dauphin County General Authority, Pennsylvania, Health System Revenue Bonds, Pinnacle Health System Project, Series 2012A, 5.000%, 6/01/42 | 6/22 at 100.00 | A | 188,977 |
| 200 | Erie County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Saint Vincent Health Center Project, Series 2010A, 7.000%, 7/01/27 | 7/20 at 100.00 | Ba2 | 221,172 |
| 80 | Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2007, 5.000%, 11/01/37 CIFG Insured | 11/17 at 100.00 | Aa3 | 85,458 |
| 835 | Franklin County Industrial Development Authority, Pennsylvania, Revenue Bonds, Chambersburg Hospital Project, Series 2010, 5.375%, 7/01/42 | 7/20 at 100.00 | A+ | 920,947 |
| 230 | Fulton County, Pennsylvania, Industrial Development Authority Hospital Revenue Bonds, Fulton County Medical Center Project, Series 2006, 5.900%, 7/01/40 | 7/16 at 100.00 | N/R | 235,614 |
| 400 | Lancaster County Hospital Authority, Pennsylvania, Health System Revenue Bonds, Lancaster General Hospital Project, Tender Option Bond 4234, 13.569%, 1/01/36 (IF) | 1/22 at 100.00 | AA | 543,472 |
| 600 | Lebanon County Health Facilities Authority, Pennsylvania, Revenue Bonds, Good Samaritan Hospital Project, Series 2002, 5.900%, 11/15/28 | 11/13 at 100.00 | Ba2 | 600,486 |
| 650 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2008A, 5.000%, 7/01/33 AGM Insured | 7/18 at 100.00 | AA | 696,820 |
| 360 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2012B, 4.000%, 7/01/43 | No Opt. Call | A+ | 361,494 |
| 1,025 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2007, 5.000%, 11/01/37 AGC Insured | 11/17 at 100.00 | AA | 1,135,833 |
| 350 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2012, 4.000%, 11/01/32 | No Opt. Call | A | 354,841 |
| 700 | Lycoming County Authority, Pennsylvania, Health System Revenue Bonds, Susquehanna Health System Project, Series 2009A, 5.750%, 7/01/39 | 7/19 at 100.00 | A | 772,982 |
| Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2012A: | | | | |
| 75 | 4.000%, 1/01/25 | 1/22 at 100.00 | A | 78,783 |
| 170 | 5.000%, 1/01/41 | 1/22 at 100.00 | A | 183,700 |
| 140 | | 1/17 at 100.00 | A | 146,412 |

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Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2007, 5.125%, 1/01/37

Nuveen Investments 87

Nuveen Pennsylvania Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Health Care (continued) | | | | |
| \$ 330 | Montgomery County Higher Education and Health Authority, Pennsylvania, Hospital Revenue Bonds, Abington Memorial Hospital Obligated Group, Series 2012A, 5.000%, 6/01/31 | 6/22 at 100.00 | A | \$ 369,458 |
| 165 | Montgomery County Industrial Development Authority, Pennsylvania, FHA Insured Mortgage Revenue Bonds, New Regional Medical Center Project, Series 2010, 5.375%, 8/01/38 | 8/20 at 100.00 | AA | 190,422 |
| 310 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania Health System, Series 2012A, 5.000%, 8/15/42 | 8/22 at 100.00 | AA | 346,729 |
| 1,495 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Health System Revenue Bonds, Jefferson Health System, Series 2010B, 5.000%, 5/15/40 | 5/20 at 100.00 | AA | 1,638,266 |
| 230 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Children's Hospital of Philadelphia, Tender Option Bond Trust 3975, 13.560%, 7/01/19 (IF) | No Opt. Call | AA | 313,522 |
| 400 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Temple University Health System Obligated Group, Series 2012A, 5.625%, 7/01/42 | 7/22 at 100.00 | BBB | 435,044 |
| 25 | Pottsville Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pottsville Hospital and Warne Clinic, Series 1998, 5.625%, 7/01/24 | 7/13 at 100.00 | N/R | 25,015 |
| 240 | Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005, 5.000%, 12/01/25 RAAI Insured | 12/15 at 100.00 | BBB | 248,198 |
| 625 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity Project, Series 2011, 6.500%, 1/01/36 | 1/21 at 100.00 | BBB+ | 742,494 |
| 420 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity, Series 2011B, 5.750%, 1/01/41 | 1/22 at 100.00 | BBB+ | 481,824 |
| 13,075 | Total Health Care | | | 14,413,222 |
| Housing/Multifamily 2.7% (1.9% of Total Investments) | | | | |
| 150 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Edinboro University Foundation Student Housing Project, Series 2010, 6.000%, 7/01/43 | 7/20 at 100.00 | Baa3 | 169,628 |
| 350 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Foundation for Student Housing at Indiana University, Project Series 2012A, 5.000%, 7/01/32 | 7/22 at 100.00 | BBB+ | 382,102 |
| 50 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Shippensburg University Student Services, Inc. Student Housing Project at Shippensburg University of Pennsylvania, Series 2012, 5.000%, 10/01/44 | No Opt. Call | BBB | 54,218 |
| 700 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Student Housing Project, Series 2005A, 5.000%, 7/01/37 SYNCORA GTY Insured | 7/15 at 100.00 | BBB+ | 715,246 |
| 100 | Philadelphia Authority for Industrial Development, Pennsylvania, Multifamily Housing Revenue Bonds, PresbyHomes Germantown-Morrisville Project, Series 2005A, 5.625%, 7/01/35 | 5/15 at 102.00 | Baa3 | 101,829 |
| 1,350 | Total Housing/Multifamily | | | 1,423,023 |
| Housing/Single Family 4.9% (3.5% of Total Investments) | | | | |
| 240 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2006-96B, 3.950%, 4/01/16 | No Opt. Call | AA+ | 255,756 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 270 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-98A, 4.850%, 10/01/31 (Alternative Minimum Tax) (UB) | 10/16 at 100.00 | AA+ | 280,064 |
| 400 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2011-112, 5.000%, 10/01/25 | 10/20 at 100.00 | AA+ | 437,256 |
| | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2012-114: | | | |
| 375 | 3.300%, 10/01/32 | No Opt. Call | AA+ | 372,863 |
| 165 | 3.650%, 10/01/37 | No Opt. Call | AA+ | 165,710 |
| 235 | 3.700%, 10/01/42 | No Opt. Call | AA+ | 236,060 |
| 665 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 3950, 12.321%, 4/01/27 (IF) | 4/21 at 100.00 | AA+ | 851,047 |
| 2,350 | Total Housing/Single Family | | | 2,598,756 |

88 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Industrials 0.8% (0.6% of Total Investments) | | | | |
| \$ 290 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Refunding Bonds, Amtrak Project, Series 2012A, 5.000%, 11/01/27 (Alternative Minimum Tax) | 11/22 at 100.00 | A1 | \$ 329,385 |
| 100 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Project, Series 2009, 1.750%, 12/01/33 (Mandatory put 12/01/15) | No Opt. Call | BBB | 102,181 |
| 390 | Total Industrials | | | 431,566 |
| Long-Term Care 13.7% (9.7% of Total Investments) | | | | |
| Bucks County Industrial Development Authority, Pennsylvania, Revenue Bonds, Lutheran Community at Telford Center, Series 2007: | | | | |
| 220 | 5.750%, 1/01/27 | 1/17 at 100.00 | N/R | 226,677 |
| 360 | 5.750%, 1/01/37 | 1/17 at 100.00 | N/R | 366,628 |
| 1,000 | Cumberland County Municipal Authority Revenue Bonds, Pennsylvania, Diakon Lutheran Social Ministries Project, Series 2009, 6.375%, 1/01/39 | 1/19 at 100.00 | BBB+ | 1,123,650 |
| 220 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Diakon Lutheran Social Ministries, Series 2007, 5.000%, 1/01/36 | 1/17 at 100.00 | BBB+ | 228,034 |
| 230 | Delaware County Authority, Pennsylvania, Revenue Bonds, Elwyn, Inc. Project, Series 2010, 5.000%, 6/01/21 | 6/17 at 100.00 | BBB | 247,554 |
| 200 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Masonic Homes Project, Series 2006, 5.000%, 11/01/36 | 11/16 at 100.00 | A | 208,034 |
| 50 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Saint Anne s Retirement Community, Inc. , Series 2012, 5.000%, 4/01/33 | 4/22 at 100.00 | BB+ | 50,971 |
| 185 | Lancaster County Hospital Authority, Pennsylvania, Revenue Bonds, Brethren Village Project, Series 2008A, 6.375%, 7/01/30 | 7/17 at 100.00 | N/R | 197,623 |
| 785 | Lebanon County Health Facilities Authority, Pennsylvania, Health Center Revenue Bonds, Pleasant View Retirement Community, Series 2005A, 5.300%, 12/15/26 | 12/14 at 100.00 | N/R | 796,241 |
| 190 | Montgomery Count Industrial Development Authority, Pennsylvania, Revenue Refunding Bonds, ACTS Retirement-Life Communities, Inc. , Series 2012, 5.000%, 11/15/26 | 5/22 at 100.00 | A | 214,438 |
| Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Philadelphia Corporation for the Aging Project, Series 2001B: | | | | |
| 670 | 5.250%, 7/01/23 AMBAC Insured | 7/13 at 100.00 | Baa1 | 672,191 |
| 2,875 | 5.250%, 7/01/31 AMBAC Insured | 7/13 at 100.00 | Baa1 | 2,879,945 |
| 6,985 | Total Long-Term Care | | | 7,211,986 |
| Materials 2.6% (1.8% of Total Investments) | | | | |
| 350 | Allegheny County Industrial Development Authority, Pennsylvania, Revenue Bonds, United States Steel Corporation, Series 2005, 5.500%, 11/01/16 | No Opt. Call | BB | 366,594 |
| 210 | Bradford County Industrial Development Authority, Pennsylvania, Solid Waste Disposal Revenue Bonds, International Paper Company, Series 2005B, 5.200%, 12/01/19 (Alternative Minimum Tax) | 12/15 at 100.00 | BBB | 227,793 |
| 750 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Series 1997B, 6.125%, 11/01/27 (Alternative Minimum Tax) | 11/13 at 100.00 | N/R | 750,000 |
| 1,310 | Total Materials | | | 1,344,387 |
| Tax Obligation/General 23.2% (16.4% of Total Investments) | | | | |
| 500 | Allegheny County, Pennsylvania, General Obligation Bonds, Series 2011C-65, 5.375%, 5/01/31 | 5/21 at 100.00 | A+ | 571,315 |
| 1,965 | Gateway School District, Allegheny County, Pennsylvania, General Obligation Bonds, Refunding Series 2012, 4.000%, 10/15/32 | 10/22 at 100.00 | Aa3 | 2,073,743 |
| 500 | Heidelberg, Lebanon County, Pennsylvania, Guaranteed Sewer Revenue Bonds, Series 2011, 5.125%, 12/01/46 | 12/16 at 100.00 | A | 529,785 |
| 1,000 | Luzerne County, Pennsylvania, General Obligation Bonds, Series 2008B, 5.000%, 12/15/27 AGM Insured | 6/18 at 100.00 | AA | 1,049,470 |

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| | | | | |
|-----|---|--------------|----|---------|
| 375 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2007A, 5.000%, 6/01/34 FGIC Insured | No Opt. Call | AA | 459,330 |
|-----|---|--------------|----|---------|

Nuveen Investments 89

Nuveen Pennsylvania Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Tax Obligation/General (continued) | | | | |
| \$ 840 | Pine-Richland School District, Pennsylvania, General Obligation Bonds, School Improvement Series 2005, 5.000%, 7/15/35 AGM Insured | 7/15 at 100.00 | AA | \$ 897,498 |
| 3,000 | Pittsburgh School District, Allegheny County, Pennsylvania, General Obligation Refunding Bonds, Series 2002A, 5.500%, 9/01/14 AGM Insured | No Opt. Call | AA | 3,193,290 |
| 500 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2012B, 5.000%, 9/01/26 | 9/22 at 100.00 | A1 | 585,990 |
| 340 | Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2012, 3.000%, 2/15/34 | 2/18 at 100.00 | Aa2 | 339,561 |
| 505 | Radnor Township, Pennsylvania, General Obligation Bonds, Series 2012, 4.000%, 11/01/37 | 11/22 at 100.00 | Aa1 | 534,694 |
| 2,220 | Reading School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2003B, 0.000%, 1/15/32 FGIC Insured | No Opt. Call | A | 1,094,726 |
| 125 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012A, 8.500%, 9/01/22 | No Opt. Call | N/R | 128,636 |
| 125 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012C, 7.250%, 9/01/22 | No Opt. Call | N/R | 121,973 |
| 600 | York County, Pennsylvania, General Obligation Bonds, Series 2006, 5.000%, 6/01/33 NPFG Insured | 12/15 at 100.00 | AA | 652,608 |
| 12,595 | Total Tax Obligation/General | | | 12,232,619 |
| Tax Obligation/Limited 14.3% (10.1% of Total Investments) | | | | |
| 1,000 | Allegheny County Redevelopment Authority, Pennsylvania, TIF Revenue Bonds, Pittsburg Mills Project, Series 2004, 5.600%, 7/01/23 | 7/15 at 101.00 | N/R | 1,032,340 |
| 225 | Allentown Neighborhood Improvement Zone Development Authority, Pennsylvania, Tax Revenue Bonds, Series 2012A, 5.000%, 5/01/35 | 5/22 at 100.00 | Baa2 | 242,930 |
| 450 | Erie County Convention Center Authority, Pennsylvania, Convention Center Revenue Bonds, Series 2005, 5.000%, 1/15/36 FGIC Insured | 1/15 at 100.00 | AA | 475,965 |
| 1,000 | Pennsylvania Economic Development Financing Authority, Unemployment Compensation Revenue Bonds, Series 2012A, 5.000%, 7/01/16 | No Opt. Call | Aaa | 1,143,870 |
| 425 | Pennsylvania Turnpike Commission, Oil Franchise Tax Revenue Bonds, Senior Lien Series 2003A, 5.000%, 12/01/32 NPFG Insured | 12/18 at 100.00 | AA | 481,058 |
| 1,000 | Pennsylvania Turnpike Commission, Registration Fee Revenue Bonds, Series 2005A, 5.250%, 7/15/18 AGM Insured | No Opt. Call | AA | 1,208,930 |
| 1,000 | Philadelphia Municipal Authority, Pennsylvania, Lease Revenue Bonds, Series 2003B, 5.250%, 11/15/17 AGM Insured | 11/13 at 100.00 | AA | 1,026,600 |
| 610 | Pittsburgh and Allegheny County Sports and Exhibition Authority, Pennsylvania, Hotel Room Excise Tax Revenue Bonds, Refunding Series 2012, 5.000%, 2/01/26 AGC Insured | 8/22 at 100.00 | AA | 713,456 |
| 750 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/33 NPFG Insured | No Opt. Call | BBB | 755,063 |
| 630 | Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/32 FGIC Insured | No Opt. Call | BBB+ | 194,708 |
| 240 | Washington County Redevelopment Authority, Pennsylvania, Tanger Outlet Victory Center Tax Increment Bonds, Series 2006A, 5.450%, 7/01/35 | 7/17 at 100.00 | N/R | 246,818 |
| 7,330 | Total Tax Obligation/Limited | | | 7,521,738 |
| Transportation 9.8% (6.9% of Total Investments) | | | | |
| 680 | | 1/20 at 100.00 | A | 760,104 |

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Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds,
Series 2010E, 5.000%, 1/01/40

| | | | | |
|---|---|-----------------|-----|---------|
| 505 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/23 | No Opt. Call | BBB | 596,880 |
| Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010A: | | | | |
| 880 | 0.000%, 12/01/34 | 12/20 at 100.00 | AA | 873,717 |
| 250 | 5.000%, 12/01/38 | 12/19 at 100.00 | AA | 277,700 |

90 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Transportation (continued) | | | | |
| \$ 680 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2012A, 5.000%, 12/01/31 | 12/21 at 100.00 | AA | \$ 773,704 |
| 420 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/24 AMBAC Insured | 6/16 at 100.00 | A+ | 462,008 |
| 150 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Subordinate Lien, Refunding Series 2010B-1, 5.000%, 12/01/37 | 12/19 at 100.00 | A | 162,167 |
| 1,000 | Pennsylvania Turnpike Commission, Turnpike Subordinate Revenue Bonds, Series 2009C, 0.000%, 6/01/33 AGM Insured | 6/26 at 100.00 | AA | 1,075,990 |
| 160 | Scranton Parking Authority, Pennsylvania, Guaranteed Parking Revenue Bonds, Series 2004, 5.000%, 9/15/33 FGIC Insured | 9/13 at 100.00 | N/R | 152,997 |
| 4,725 | Total Transportation | | | 5,135,267 |
| U.S. Guaranteed 4.9% (3.4% of Total Investments) (4) | | | | |
| 130 | Delaware River Joint Toll Bridge Commission, New Jersey and Pennsylvania, Revenue Bonds, Series 2003, 5.250%, 7/01/17 (Pre-refunded 7/01/13) | 7/13 at 100.00 | A2 (4) | 131,097 |
| 800 | Hazleton Area School District, Luzerne County, Pennsylvania, General Obligation Bonds, Series 2004, 5.125%, 3/01/28 (Pre-refunded 9/01/14) AGM Insured | 9/14 at 100.00 | A1 (4) | 851,743 |
| 250 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2004A, 5.500%, 11/01/24 (Pre-refunded 11/01/14) | 11/14 at 100.00 | A (4) | 269,247 |
| 300 | Pennsylvania, General Obligation Bonds, First Series 2006, 5.000%, 10/01/18 (Pre-refunded 10/01/16) | 10/16 at 100.00 | AA+ (4) | 345,933 |
| 255 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Franklin Towne Charter High School, Series 2006A, 5.250%, 1/01/27 (Pre-refunded 1/01/17) | 1/17 at 100.00 | Baa1 (4) | 295,397 |
| 350 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fourth Series 1998, 5.250%, 8/01/18 (Pre-refunded 8/01/13) AGM Insured | 8/13 at 100.00 | AA (4) | 354,445 |
| 110 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Twelfth Series 1990B, 7.000%, 5/15/20 NPFQ Insured (ETM) | No Opt. Call | A (4) | 134,387 |
| 170 | St. Mary Hospital Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East, Series 2004B, 5.375%, 11/15/34 (Pre-refunded 11/15/14) | 11/14 at 100.00 | A+ (4) | 182,957 |
| 2,365 | Total U.S. Guaranteed | | | 2,565,206 |
| Utilities 5.6% (4.0% of Total Investments) | | | | |
| 500 | Allegheny County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, Duquesne Light Company, Series 1999A, 4.350%, 12/01/13 AMBAC Insured | No Opt. Call | A2 | 509,430 |
| 1,125 | Beaver County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, FirstEnergy Nuclear Generation Project, Series 2008A, 2.700%, 4/01/35 (Mandatory put 4/02/18) | No Opt. Call | BBB | 1,149,514 |
| 140 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1, 5.000%, 9/01/26 AGM Insured | 9/14 at 100.00 | AA | 146,482 |
| 1,105 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Seventh Series, 2007, 5.000%, 10/01/37 AMBAC Insured | 10/17 at 100.00 | BBB+ | 1,152,735 |
| 2,870 | Total Utilities | | | 2,958,161 |
| Water and Sewer 7.0% (4.9% of Total Investments) | | | | |
| 500 | Bethlehem Authority, Northampton and Lehigh Counties, Pennsylvania, Guaranteed Water Revenue Bonds, Series 2004, 5.000%, 11/15/20 AGM Insured | 11/14 at 100.00 | AA | 535,195 |
| 375 | Bucks County Water and Sewer Authority, Pennsylvania, Revenue Bonds, Tender Option Bond Trust 4015, 13.138%, 12/01/19 AGM Insured (IF) (5) | No Opt. Call | AA | 550,163 |
| 600 | Harrisburg Authority, Dauphin County, Pennsylvania, Water Revenue Refunding Bonds, Series 2004, 5.000%, 7/15/22 AGM Insured | 7/14 at 100.00 | AA | 606,582 |
| 400 | | 12/19 at 100.00 | A | 450,312 |

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Luzerne County Industrial Development Authority, Pennsylvania, Water Facility Revenue
Refunding Bonds, Pennsylvania-American Water Company, Series 2009, 5.500%, 12/01/39

Nuveen Investments 91

Nuveen Pennsylvania Dividend Advantage Municipal Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|------------------------------------|--|------------------------------|-------------|---------------|
| Water and Sewer (continued) | | | | |
| \$ 100 | Pennsylvania Economic Development Financing Authority, Sewage Sludge Disposal Revenue Bonds, Philadelphia Biosolids Facility Project, Series 2009, 6.250%, 1/01/32 | 1/20 at 100.00 | BBB | \$ 115,230 |
| 500 | Pennsylvania Economic Development Financing Authority, Water Facilities Revenue Bonds, Aqua Pennsylvania, Inc. Project, Series 2009A, 5.000%, 10/01/39 | 10/19 at 100.00 | AA | 557,214 |
| 750 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2011A, 5.000%, 1/01/41 | 1/21 at 100.00 | A1 | 843,577 |
| 3,225 | Total Water and Sewer | | | 3,658,273 |
| \$ 70,375 | Total Investments (cost \$68,966,420) | 141.6% | | 74,512,846 |
| | Floating Rate Obligations | (0.3)% | | (155,000) |
| | MuniFund Term Preferred Shares, at Liquidation Value | (44.1)% (6) | | (23,190,000) |
| | Other Assets Less Liabilities | 2.8% | | 1,455,263 |
| | Net Assets Applicable to Common Shares | 100% | | \$ 52,623,109 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
 - (6) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 31.1%
- N/R Not rated.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|--------------|
| Education and Civic Organizations 24.0% (16.4% of Total Investments) | | | | |
| \$ 1,000 | Allegheny County Higher Education Building Authority, Pennsylvania, College Revenue Refunding Bonds, Robert Morris College, Series 1998A, 6.000%, 5/01/28 | No Opt. Call | Baa3 | \$ 1,181,640 |
| 100 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2012A, 5.000%, 3/01/24 | 3/22 at 100.00 | AA | 123,973 |
| 800 | Chester County Health and Education Facilities Authority, Pennsylvania, Revenue Bonds, Immaculata University, Series 2005, 5.500%, 10/15/25 | 10/15 at 102.00 | N/R | 833,288 |
| 720 | Chester County Industrial Development Authority, Pennsylvania, Avon Grove Charter School Revenue Bonds, Series 2007A, 6.375%, 12/15/37 | 12/17 at 100.00 | BBB | 758,707 |
| 450 | Delaware County Authority, Pennsylvania, General Revenue Bonds, Eastern University, Series 2006, 4.500%, 10/01/27 RAAI Insured | 10/16 at 100.00 | N/R | 453,672 |
| Delaware County Authority, Pennsylvania, Revenue Bonds, Villanova University, Series 2006: | | | | |
| 340 | 5.000%, 8/01/23 AMBAC Insured | 8/16 at 100.00 | A+ | 382,646 |
| 165 | 5.000%, 8/01/24 AMBAC Insured | 8/16 at 100.00 | A+ | 185,189 |
| 180 | Erie Higher Education Building Authority, Pennsylvania, College Revenue Bonds, Gannon University, Series 2007-GG3, 5.000%, 5/01/32 RAAI Insured | 5/17 at 100.00 | N/R | 186,934 |
| 1,265 | Lycoming County Authority, Pennsylvania, Revenue Bonds, Pennsylvania College of Technology, Series 2012, 5.000%, 5/01/32 | 5/22 at 100.00 | A | 1,407,869 |
| 200 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2010, 5.625%, 4/01/40 | 4/20 at 100.00 | BBB+ | 223,760 |
| 80 | New Wilmington, Pennsylvania, Revenue, Westminster College, Series 2007G, 5.125%, 5/01/33 RAAI Insured | 5/17 at 100.00 | N/R | 83,318 |
| 1,050 | Pennsylvania Higher Educational Facilities Authority, General Revenue Bonds, State System of Higher Education, Series 2008AH, 5.000%, 6/15/33 | 6/18 at 100.00 | AA | 1,199,919 |
| 285 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Allegheny College, Series 2006, 4.750%, 5/01/31 | 5/16 at 100.00 | A | 307,717 |
| 610 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Drexel University, Series 2007A, 5.000%, 5/01/37 NPF Insured | 11/17 at 100.00 | A | 665,541 |
| 600 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Gwynedd Mercy College, Series 2012-KK1, 5.375%, 5/01/42 | 5/22 at 100.00 | BBB | 638,052 |
| 800 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2006, 5.000%, 4/01/21 NPF Insured | 4/16 at 100.00 | Aa3 | 896,592 |
| 2,000 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Temple University, First Series of 2012, 5.000%, 4/01/42 | 4/22 at 100.00 | Aa3 | 2,271,560 |
| 90 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2012, 5.000%, 3/01/42 | 9/22 at 100.00 | A+ | 101,933 |

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| Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of the Sciences in Philadelphia, Series 2012: | | | | | |
|---|--|--|-----------------|------|------------|
| 140 | 4.000%, 11/01/39 | | 11/22 at 100.00 | A3 | 143,238 |
| 265 | 5.000%, 11/01/42 | | 11/22 at 100.00 | A3 | 293,623 |
| 530 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Leadership Learning Partners, Series 2005A, 5.375%, 7/01/36 | | 1/15 at 100.00 | N/R | 361,407 |
| 120 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, MaST Charter School Project, Series 2010, 6.000%, 8/01/35 | | 8/20 at 100.00 | BBB+ | 136,549 |
| 270 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Richard Allen Preparatory Charter School, Series 2006, 6.250%, 5/01/33 | | 5/16 at 100.00 | BBB | 280,444 |
| 600 | State Public School Building Authority, Pennsylvania, College Revenue Bonds, Northampton County Area Community College, Series 2011, 5.500%, 3/01/31 | | 3/21 at 100.00 | A1 | 695,178 |
| 50 | Wilkes-Barre Finance Authority, Pennsylvania, Revenue Bonds, University of Scranton, Series 2010, 5.000%, 11/01/40 | | 11/20 at 100.00 | A | 55,626 |
| 12,710 | Total Education and Civic Organizations | | | | 13,868,375 |

Nuveen Investments 93

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|------------------------|--|------------------------------|-------------|------------|
| | Health Care 26.6% (18.2% of Total Investments) | | | |
| \$ 625 | Allegheny County Hospital Development Authority, Pennsylvania, Revenue Bonds, Ohio Valley General Hospital, Series 2005A, 5.125%, 4/01/35 | 4/15 at 100.00 | Ba3 | \$ 598,781 |
| 435 | Allentown Area Hospital Authority, Pennsylvania, Revenue Bonds, Sacred Heart Hospital, Series 2005, 6.000%, 11/15/16 | No Opt. Call | N/R | 469,056 |
| 650 | Beaver County Hospital Authority, Pennsylvania, Revenue Bonds, Heritage Valley Health System, Inc., Series 2012, 5.000%, 5/15/26 | 5/21 at 100.00 | AA | 747,026 |
| 835 | Berks County Municipal Authority, Pennsylvania, Revenue Bonds, Reading Hospital and Medical Center Project, Series 2012A, 5.000%, 11/01/44 | 5/22 at 100.00 | AA | 926,583 |
| 595 | Central Bradford Progress Authority, Pennsylvania, Revenue Bonds, Guthrie Health, Series 2011, 5.375%, 12/01/41 | 12/21 at 100.00 | AA | 677,812 |
| 500 | Dauphin County General Authority, Pennsylvania, Health System Revenue Bonds, Pinnacle Health System Project, Series 2012A, 5.000%, 6/01/42 | 6/22 at 100.00 | A | 539,935 |
| 300 | Erie County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Saint Vincent Health Center Project, Series 2010A, 7.000%, 7/01/27 | 7/20 at 100.00 | Ba2 | 331,758 |
| 95 | Erie County Hospital Authority, Pennsylvania, Revenue Bonds, Hamot Health Foundation, Series 2007, 5.000%, 11/01/37 CIFG Insured | 11/17 at 100.00 | Aa3 | 101,481 |
| 835 | Franklin County Industrial Development Authority, Pennsylvania, Revenue Bonds, Chambersburg Hospital Project, Series 2010, 5.375%, 7/01/42 | 7/20 at 100.00 | A+ | 920,947 |
| 270 | Fulton County, Pennsylvania, Industrial Development Authority Hospital Revenue Bonds, Fulton County Medical Center Project, Series 2006, 5.900%, 7/01/40 | 7/16 at 100.00 | N/R | 276,591 |
| 475 | Lancaster County Hospital Authority, Pennsylvania, Health System Revenue Bonds, Lancaster General Hospital Project, Tender Option Bond 4234, 13.569%, 1/01/36 (IF) | 1/22 at 100.00 | AA | 645,373 |
| 600 | Lebanon County Health Facilities Authority, Pennsylvania, Revenue Bonds, Good Samaritan Hospital Project, Series 2002, 5.900%, 11/15/28 | 11/13 at 100.00 | Ba2 | 600,486 |
| 740 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2008A, 5.000%, 7/01/33 AGM Insured | 7/18 at 100.00 | AA | 793,302 |
| 290 | Lehigh County General Purpose Authority, Pennsylvania, Hospital Revenue Bonds, Lehigh Valley Health Network, Series 2012B, 4.000%, 7/01/43 | No Opt. Call | A+ | 291,204 |
| 1,155 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2007, 5.000%, 11/01/37 AGC Insured | 11/17 at 100.00 | AA | 1,279,890 |
| 850 | Lehigh County General Purpose Authority, Pennsylvania, Revenue Bonds, Good Shepherd Group, Series 2012, 4.000%, 11/01/32 | No Opt. Call | A | 861,756 |
| 200 | Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2012A, 5.000%, 1/01/41 | 1/22 at 100.00 | A | 216,118 |
| 160 | Monroe County Hospital Authority, Pennsylvania, Hospital Revenue Bonds, Pocono Medical Center, Series 2007, 5.125%, 1/01/37 | 1/17 at 100.00 | A | 167,328 |
| 350 | Montgomery County Higher Education and Health Authority, Pennsylvania, Hospital Revenue Bonds, Abington Memorial Hospital Obligated Group, Series 2012A, 5.000%, 6/01/31 | 6/22 at 100.00 | A | 391,850 |
| 175 | Montgomery County Industrial Development Authority, Pennsylvania, FHA Insured Mortgage Revenue Bonds, New Regional Medical Center Project, Series 2010, 5.375%, 8/01/38 | 8/20 at 100.00 | AA | 201,962 |
| 925 | | 4/22 at 100.00 | AA | 1,027,120 |

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Montgomery County Industrial Development Authority, Pennsylvania, Health Facilities Revenue Bonds, Jefferson Health System, Series 2012A, 5.000%, 10/01/41

| | | | | |
|-----|---|----------------|----|---------|
| 620 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of Pennsylvania Health System, Series 2012A, 5.000%, 8/15/42 | 8/22 at 100.00 | AA | 693,458 |
| 300 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Health System Revenue Bonds, Jefferson Health System, Series 2010B, 5.000%, 5/15/40 | 5/20 at 100.00 | AA | 328,749 |

94 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Health Care (continued) | | | | |
| \$ 350 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Children s Hospital of Philadelphia, Tender Option Bond Trust 3975, 13.560%, 7/01/19 (IF) | No Opt. Call | AA | \$ 477,099 |
| 450 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Temple University Health System Obligated Group, Series 2012A, 5.625%, 7/01/42 | 7/22 at 100.00 | BBB | 489,425 |
| 260 | Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005, 5.000%, 12/01/25 RAAI Insured | 12/15 at 100.00 | BBB | 268,882 |
| West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity Project, Series 2011: | | | | |
| 100 | 6.250%, 1/01/31 | 1/21 at 100.00 | BBB+ | 118,315 |
| 335 | 6.500%, 1/01/36 | 1/21 at 100.00 | BBB+ | 397,977 |
| West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity, Series 2011B: | | | | |
| 220 | 5.625%, 1/01/32 | 1/22 at 100.00 | BBB+ | 247,590 |
| 250 | 5.750%, 1/01/41 | 1/22 at 100.00 | BBB+ | 286,800 |
| 13,945 | Total Health Care | | | 15,374,654 |
| Housing/Multifamily 2.1% (1.5% of Total Investments) | | | | |
| 200 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Edinboro University Foundation Student Housing Project, Series 2010, 6.000%, 7/01/43 | 7/20 at 100.00 | Baa3 | 226,170 |
| 50 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Shippensburg University Student Services, Inc. Student Housing Project at Shippensburg University of Pennsylvania, Series 2012, 5.000%, 10/01/44 | No Opt. Call | BBB | 54,218 |
| 800 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Slippery Rock University Foundation Inc., Student Housing Project, Series 2005A, 5.000%, 7/01/37 SYNCORA GTY Insured | 7/15 at 100.00 | BBB+ | 817,424 |
| 120 | Philadelphia Authority for Industrial Development, Pennsylvania, Multifamily Housing Revenue Bonds, PresbyHomes Germantown-Morrisville Project, Series 2005A, 5.625%, 7/01/35 | 5/15 at 102.00 | Baa3 | 122,195 |
| 1,170 | Total Housing/Multifamily | | | 1,220,007 |
| Housing/Single Family 7.1% (4.9% of Total Investments) | | | | |
| 1,100 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-97A, 4.600%, 10/01/27 (Alternative Minimum Tax) (UB) | 10/16 at 100.00 | AA+ | 1,142,064 |
| 290 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2007-98A, 4.850%, 10/01/31 (Alternative Minimum Tax) (UB) | 10/16 at 100.00 | AA+ | 300,809 |
| 400 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2011-112, 5.000%, 10/01/25 | 10/20 at 100.00 | AA+ | 437,256 |
| Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2012-114: | | | | |
| 565 | 3.300%, 10/01/32 | No Opt. Call | AA+ | 561,780 |
| 245 | 3.650%, 10/01/37 | No Opt. Call | AA+ | 246,054 |
| 355 | 3.700%, 10/01/42 | No Opt. Call | AA+ | 356,601 |
| Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 3950: | | | | |
| 665 | 12.321%, 4/01/27 (IF) | 4/21 at 100.00 | AA+ | 851,047 |
| 75 | 10.496%, 4/01/33 (WI/DD, Settling 5/02/13) (IF) | 10/22 at 100.00 | AA+ | 76,577 |
| 130 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 4296, 14.310%, 4/01/29 (WI/DD, Settling 5/02/13) (Alternative Minimum Tax) (IF) | 10/22 at 100.00 | AA+ | 142,685 |
| 3,825 | Total Housing/Single Family | | | 4,114,873 |

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|---|------------------------------|-------------|------------|
| Industrials 0.7% (0.5% of Total Investments) | | | | |
| \$ 255 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Refunding Bonds, Amtrak Project, Series 2012A, 5.000%, 11/01/27 (Alternative Minimum Tax) | 11/22 at 100.00 | A1 | \$ 289,632 |
| 105 | Pennsylvania Economic Development Financing Authority, Solid Waste Disposal Revenue Bonds, Waste Management Inc., Project, Series 2009, 1.750%, 12/01/33 (Mandatory put 12/01/15) | No Opt. Call | BBB | 107,290 |
| 360 | Total Industrials | | | 396,922 |
| Long-Term Care 8.0% (5.5% of Total Investments) | | | | |
| Bucks County Industrial Development Authority, Pennsylvania, Revenue Bonds, Lutheran Community at Telford Center, Series 2007: | | | | |
| 250 | 5.750%, 1/01/27 | 1/17 at 100.00 | N/R | 257,588 |
| 400 | 5.750%, 1/01/37 | 1/17 at 100.00 | N/R | 407,364 |
| 1,000 | Cumberland County Municipal Authority Revenue Bonds, Pennsylvania, Diakon Lutheran Social Ministries Project, Series 2009, 6.375%, 1/01/39 | 1/19 at 100.00 | BBB+ | 1,123,650 |
| 300 | Cumberland County Municipal Authority, Pennsylvania, Revenue Bonds, Diakon Lutheran Social Ministries, Series 2007, 5.000%, 1/01/36 | 1/17 at 100.00 | BBB+ | 310,956 |
| 300 | Delaware County Authority, Pennsylvania, Revenue Bonds, Elwyn, Inc. Project, Series 2010, 5.000%, 6/01/21 | 6/17 at 100.00 | BBB | 322,896 |
| 205 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Masonic Homes Project, Series 2006, 5.000%, 11/01/36 | 11/16 at 100.00 | A | 213,235 |
| 50 | Lancaster County Hospital Authority, Pennsylvania, Health Center Revenue Bonds, Saint Anne s Retirement Community, Inc. , Series 2012, 5.000%, 4/01/33 | 4/22 at 100.00 | BB+ | 50,971 |
| 185 | Lancaster County Hospital Authority, Pennsylvania, Revenue Bonds, Brethren Village Project, Series 2008A, 6.375%, 7/01/30 | 7/17 at 100.00 | N/R | 197,623 |
| 785 | Lebanon County Health Facilities Authority, Pennsylvania, Health Center Revenue Bonds, Pleasant View Retirement Community, Series 2005A, 5.300%, 12/15/26 | 12/14 at 100.00 | N/R | 796,241 |
| 200 | Montgomery Count Industrial Development Authority, Pennsylvania, Revenue Refunding Bonds, ACTS Retirement-Life Communities, Inc. , Series 2012, 5.000%, 11/15/26 | 5/22 at 100.00 | A | 225,724 |
| 750 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Philadelphia Corporation for the Aging Project, Series 2001B, 5.250%, 7/01/23 AMBAC Insured | 7/13 at 100.00 | Baa1 | 752,453 |
| 4,425 | Total Long-Term Care | | | 4,658,701 |
| Materials 2.5% (1.7% of Total Investments) | | | | |
| 400 | Allegheny County Industrial Development Authority, Pennsylvania, Revenue Bonds, United States Steel Corporation, Series 2005, 5.500%, 11/01/16 | No Opt. Call | BB | 418,964 |
| 280 | Bradford County Industrial Development Authority, Pennsylvania, Solid Waste Disposal Revenue Bonds, International Paper Company, Series 2005B, 5.200%, 12/01/19 (Alternative Minimum Tax) | 12/15 at 100.00 | BBB | 303,724 |
| 750 | Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds, National Gypsum Company, Series 1997B, 6.125%, 11/01/27 (Alternative Minimum Tax) | 11/13 at 100.00 | N/R | 750,000 |
| 1,430 | Total Materials | | | 1,472,688 |
| Tax Obligation/General 25.7% (17.6% of Total Investments) | | | | |
| 1,135 | Allegheny County, Pennsylvania, General Obligation Bonds, Series C69-C70 of 2012, 5.000%, 12/01/37 | 12/22 at 100.00 | A+ | 1,250,725 |

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| | | | | |
|-------|---|-----------------|-----|-----------|
| 4,000 | Delaware Valley Regional Finance Authority, Pennsylvania, Local Government Revenue Bonds, Series 2002, 5.750%, 7/01/17 (UB) | No Opt. Call | A+ | 4,622,320 |
| 1,375 | Heidelberg, Lebanon County, Pennsylvania, Guaranteed Sewer Revenue Bonds, Series 2011, 5.125%, 12/01/46 | 12/16 at 100.00 | A | 1,456,909 |
| 1,000 | Luzerne County, Pennsylvania, General Obligation Bonds, Series 2008B, 5.000%, 12/15/27 AGM Insured | 6/18 at 100.00 | AA | 1,049,470 |
| 1,000 | Pennsylvania State, General Obligation Bonds, Second Series 2010A, 5.000%, 5/01/14 | No Opt. Call | AA+ | 1,048,360 |
| 375 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2007A, 5.000%, 6/01/34 FGIC Insured | No Opt. Call | AA | 459,330 |

96 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Tax Obligation/General (continued) | | | | |
| \$ 725 | Philadelphia, Pennsylvania, General Obligation Bonds, Refunding Series 2011, 6.500%, 8/01/41 | 8/20 at 100.00 | A2 | \$ 882,129 |
| 950 | Pine-Richland School District, Pennsylvania, General Obligation Bonds, School Improvement Series 2005, 5.000%, 7/15/35 AGM Insured | 7/15 at 100.00 | AA | 1,015,028 |
| 275 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2012B, 5.000%, 9/01/26 | 9/22 at 100.00 | A1 | 322,295 |
| 225 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2006B, 5.250%, 9/01/16 AGM Insured | No Opt. Call | AA | 255,751 |
| 340 | Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2012, 3.000%, 2/15/34 | 2/18 at 100.00 | Aa2 | 339,561 |
| 2,510 | Reading School District, Berks County, Pennsylvania, General Obligation Bonds, Series 2003B, 0.000%, 1/15/32 FGIC Insured | No Opt. Call | A | 1,237,731 |
| 135 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012A, 8.500%, 9/01/22 | No Opt. Call | N/R | 138,927 |
| 135 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012C, 7.250%, 9/01/22 | No Opt. Call | N/R | 131,729 |
| 600 | York County, Pennsylvania, General Obligation Bonds, Series 2006, 5.000%, 6/01/33 NPFG Insured | 12/15 at 100.00 | AA | 652,607 |
| 14,780 | Total Tax Obligation/General | | | 14,862,872 |
| Tax Obligation/Limited 21.2% (14.5% of Total Investments) | | | | |
| 1,000 | Allegheny County Redevelopment Authority, Pennsylvania, TIF Revenue Bonds, Pittsburg Mills Project, Series 2004, 5.600%, 7/01/23 | 7/15 at 101.00 | N/R | 1,032,340 |
| 250 | Allentown Neighborhood Improvement Zone Development Authority, Pennsylvania, Tax Revenue Bonds, Series 2012A, 5.000%, 5/01/35 | 5/22 at 100.00 | Baa2 | 269,923 |
| 1,500 | Dormitory Authority of the State of New York, Revenue Bonds, School Districts Financing Program, Series 2009C, 5.125%, 10/01/36 AGC Insured | 10/19 at 100.00 | AA | 1,701,225 |
| 4,000 | Harrisburg Parking Authority, Pennsylvania, Guaranteed Revenue Refunding Bonds, Series 2001J, 5.000%, 9/01/22 NPFG Insured | 9/13 at 100.00 | Baa2 | 3,808,880 |
| 1,100 | Pennsylvania Economic Development Financing Authority, Unemployment Compensation Revenue Bonds, Series 2012A, 5.000%, 7/01/16 | No Opt. Call | Aaa | 1,258,257 |
| 610 | Pennsylvania Turnpike Commission, Oil Franchise Tax Revenue Bonds, Senior Lien Series 2003A, 5.000%, 12/01/32 NPFG Insured | 12/18 at 100.00 | AA | 690,459 |
| 1,200 | Pennsylvania Turnpike Commission, Registration Fee Revenue Bonds, Series 2005A, 5.250%, 7/15/18 AGM Insured | No Opt. Call | AA | 1,450,716 |
| 660 | Pittsburgh and Allegheny County Sports and Exhibition Authority, Pennsylvania, Hotel Room Excise Tax Revenue Bonds, Refunding Series 2012, 5.000%, 2/01/26 AGC Insured | 8/22 at 100.00 | AA | 771,936 |
| 800 | Puerto Rico Highway and Transportation Authority, Highway Revenue Bonds, Series 2007N, 5.250%, 7/01/33 NPFG Insured | No Opt. Call | BBB | 805,400 |
| 710 | Puerto Rico Infrastructure Financing Authority, Special Tax Revenue Bonds, Series 2005A, 0.000%, 7/01/32 FGIC Insured | No Opt. Call | BBB+ | 219,433 |
| 240 | Washington County Redevelopment Authority, Pennsylvania, Tanger Outlet Victory Center Tax Increment Bonds, Series 2006A, 5.450%, 7/01/35 | 7/17 at 100.00 | N/R | 246,818 |
| 12,070 | Total Tax Obligation/Limited | | | 12,255,387 |
| Transportation 11.6% (8.0% of Total Investments) | | | | |
| 720 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 804,816 |
| 840 | Delaware River Port Authority, Pennsylvania and New Jersey, Revenue Refunding Bonds, Port District Project, Series 2012, 5.000%, 1/01/23 | No Opt. Call | BBB | 992,830 |
| 875 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010A: 0.000%, 12/01/34 | 12/20 at 100.00 | AA | 868,753 |

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| | | | | |
|-------|---|-----------------|----|-----------|
| 250 | 5.000%, 12/01/38 | 12/19 at 100.00 | AA | 277,700 |
| 1,000 | Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Turnpike Subordinate Special Revenue, Series 2011B, 5.000%, 12/01/41 | 12/21 at 100.00 | AA | 1,113,920 |

Nuveen Investments 97

Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Transportation (continued) | | | | |
| \$ 670 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Series 2006A, 5.000%, 12/01/24 AMBAC Insured | 6/16 at 100.00 | A+ | \$ 737,013 |
| 150 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Subordinate Lien, Refunding Series 2010B-1, 5.000%, 12/01/37 | 12/19 at 100.00 | A | 162,167 |
| 1,000 | Pennsylvania Turnpike Commission, Turnpike Subordinate Revenue Bonds, Series 2009C, 0.000%, 6/01/33 AGM Insured | 6/26 at 100.00 | AA | 1,075,989 |
| 500 | Philadelphia Airport System, Pennsylvania, Revenue Bonds, Series 2005A, 4.750%, 6/15/35 NPMFG Insured (Alternative Minimum Tax) | 6/15 at 100.00 | A+ | 521,934 |
| 180 | Scranton Parking Authority, Pennsylvania, Guaranteed Parking Revenue Bonds, Series 2004, 5.000%, 9/15/33 FGIC Insured | 9/13 at 100.00 | N/R | 172,120 |
| 6,185 | Total Transportation | | | 6,727,242 |
| U.S. Guaranteed 5.7% (3.9% of Total Investments) (4) | | | | |
| 130 | Delaware River Joint Toll Bridge Commission, New Jersey and Pennsylvania, Revenue Bonds, Series 2003, 5.250%, 7/01/17 (Pre-refunded 7/01/13) | 7/13 at 100.00 | A2 (4) | 131,097 |
| 315 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, Franklin Towne Charter High School, Series 2006A, 5.250%, 1/01/27 (Pre-refunded 1/01/17) | 1/17 at 100.00 | Baa1 (4) | 364,902 |
| 1,650 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fourth Series 1998, 5.250%, 8/01/20 (Pre-refunded 8/01/13) AGM Insured | 8/13 at 100.00 | AA (4) | 1,670,955 |
| 40 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Twelfth Series 1990B, 7.000%, 5/15/20 NPMFG Insured (ETM) | No Opt. Call | A (4) | 48,868 |
| 225 | St. Mary Hospital Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East, Series 2004B, 5.375%, 11/15/34 (Pre-refunded 11/15/14) | 11/14 at 100.00 | A+ (4) | 242,150 |
| 850 | Trinity Area School District, Washington County, Pennsylvania, General Obligation Bonds, Series 2003, 5.250%, 11/01/20 (Pre-refunded 11/01/13) FGIC Insured | 11/13 at 100.00 | A+ (4) | 871,564 |
| 3,210 | Total U.S. Guaranteed | | | 3,329,536 |
| Utilities 4.1% (2.8% of Total Investments) | | | | |
| 900 | Beaver County Industrial Development Authority, Pennsylvania, Pollution Control Revenue Refunding Bonds, FirstEnergy Nuclear Generation Project, Series 2008A, 2.700%, 4/01/35 (Mandatory put 4/02/18) | No Opt. Call | BBB | 919,611 |
| 145 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, General Ordinance, Fifth Series 2004A-1, 5.000%, 9/01/26 AGM Insured | 9/14 at 100.00 | AA | 151,715 |
| 1,240 | Philadelphia Gas Works, Pennsylvania, Revenue Bonds, Seventh Series, 2007, 5.000%, 10/01/37 AMBAC Insured | 10/17 at 100.00 | BBB+ | 1,293,568 |
| 2,285 | Total Utilities | | | 2,364,894 |
| Water and Sewer 4.9% (3.3% of Total Investments) | | | | |
| 245 | Bucks County Water and Sewer Authority, Pennsylvania, Revenue Bonds, Tender Option Bond Trust 4015, 13.138%, 12/01/19 AGM Insured (IF) (5) | No Opt. Call | AA | 359,440 |
| 600 | Harrisburg Authority, Dauphin County, Pennsylvania, Water Revenue Refunding Bonds, Series 2004, 5.000%, 7/15/22 AGM Insured | 7/14 at 100.00 | AA | 606,582 |
| 400 | Luzerne County Industrial Development Authority, Pennsylvania, Water Facility Revenue Refunding Bonds, Pennsylvania-American Water Company, Series 2009, 5.500%, 12/01/39 | 12/19 at 100.00 | A | 450,312 |
| 500 | | 10/19 at 100.00 | AA | 557,214 |

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| | | | | |
|---|--|----------------|----|------------|
| Pennsylvania Economic Development Financing Authority, Water Facilities Revenue Bonds, Aqua Pennsylvania, Inc. Project, Series 2009A, 5.000%, 10/01/39 | | | | |
| 750 | Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2011A, 5.000%, 1/01/41 | 1/21 at 100.00 | A1 | 843,577 |
| 2,495 | Total Water and Sewer | | | 2,817,125 |
| \$ 78,890 | Total Long-Term Investments (cost \$77,999,441) | 144.2% | | 83,463,276 |

98 Nuveen Investments

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|---------------|
| Short-Term Investments 1.7% (1.2% of Total Investments) | | | | |
| Education and Civic Organizations 1.7% (1.2% of Total Investments) | | | | |
| \$ 1,000 | Pennsylvania State University, General Revenue Bonds, Variable Rate Demand Obligations, Tender Option Bonds Trust 3704Z, 0.210%, 3/01/18 (6) | No Opt. Call | A-1 | \$ 1,000,000 |
| | Total Short-Term Investments (cost \$1,000,000) | | | 1,000,000 |
| | Total Investments (cost \$78,999,441) 145.9% | | | 84,463,276 |
| | Floating Rate Obligations (6.6%) | | | (3,825,000) |
| | MuniFund Term Preferred Shares, at Liquidation Value (42.4)% (7) | | | (24,550,000) |
| | Other Assets Less Liabilities 3.1% | | | 1,802,716 |
| | Net Assets Applicable to Common Shares 100% | | | \$ 57,890,992 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
 - (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
 - (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
 - (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
 - (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
 - (6) Investment has a maturity of more than one year, but has variable rate and demand features which qualify it as a short-term investment. The rate disclosed is that in effect at the end of the reporting period. This rate changes periodically based on market conditions or a specified market index.
 - (7) MuniFund Term Preferred Shares, at Liquidation Value as a percentage of Total Investments is 29.1%
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.
- (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction. See Notes to Financial Statements, Footnote 1 General Information and Significant Accounting Policies, Inverse Floating Rate Securities for more information.

See accompanying notes to financial statements.

Nuveen Pennsylvania Municipal Value Fund

Portfolio of Investments

April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|---|------------------------------|-------------|------------|
| Consumer Staples 3.9% (3.9% of Total Investments) | | | | |
| \$ 650 | District of Columbia Tobacco Settlement Corporation, Tobacco Settlement Asset-Backed Bonds, Series 2001, 6.500%, 5/15/33 | No Opt. Call | Baa1 | \$ 778,239 |
| Education and Civic Organizations 13.9% (14.1% of Total Investments) | | | | |
| 400 | Allegheny County Higher Education Building Authority, Pennsylvania, Revenue Bonds, Carnegie Mellon University, Series 2013, 5.000%, 3/01/21 | No Opt. Call | AA | 502,536 |
| 675 | Delaware County Authority, Pennsylvania, Revenue Bonds, Neumann College, Series 2008, 6.000%, 10/01/30 | 10/18 at 100.00 | BBB | 746,051 |
| 500 | Lehigh County General Purpose Authority, Pennsylvania, College Revenue Bonds, Muhlenberg College Project, Series 2009, 5.250%, 2/01/39 | 2/19 at 100.00 | A+ | 554,690 |
| 500 | Montgomery County Higher Education and Health Authority, Pennsylvania, Revenue Bonds, Arcadia University, Series 2006, 5.000%, 4/01/36 RAAI Insured | 4/16 at 100.00 | BBB+ | 514,050 |
| 120 | Pennsylvania Higher Educational Facilities Authority, Philadelphia University Refunding Revenue Bonds, Refunding Series 2013, 5.000%, 6/01/32 | 6/23 at 100.00 | BBB | 132,232 |
| 20 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Thomas Jefferson University, Series 2012, 5.000%, 3/01/42 | 9/22 at 100.00 | A+ | 22,652 |
| | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, University of the Sciences in Philadelphia, Series 2012: | | | |
| 35 | 4.000%, 11/01/39 | 11/22 at 100.00 | A3 | 35,810 |
| 60 | 5.000%, 11/01/42 | 11/22 at 100.00 | A3 | 66,481 |
| 50 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Widener University, Series 2003, 5.400%, 7/15/36 | 7/13 at 100.00 | A | 50,469 |
| 50 | Philadelphia Authority for Industrial Development, Pennsylvania, Revenue Bonds, MaST Charter School Project, Series 2010, 6.000%, 8/01/35 | 8/20 at 100.00 | BBB+ | 56,896 |
| 100 | Wilkes-Barre Finance Authority, Pennsylvania, Revenue Bonds, University of Scranton, Series 2010, 5.000%, 11/01/40 | 11/20 at 100.00 | A | 111,252 |
| 2,510 | Total Education and Civic Organizations | | | 2,793,119 |
| Health Care 22.8% (23.1% of Total Investments) | | | | |
| 650 | Allegheny County Hospital Development Authority, Pennsylvania, University of Pittsburgh Medical Center Revenue Bonds, Series 2009A, 5.500%, 8/15/34 | 8/19 at 100.00 | Aa3 | 761,404 |
| 35 | Dauphin County General Authority, Pennsylvania, Health System Revenue Bonds, Pinnacle Health System Project, Series 2012A, 5.000%, 6/01/42 | 6/22 at 100.00 | A | 37,795 |
| 600 | Geisinger Authority, Montour County, Pennsylvania, Health System Revenue Bonds, Geisinger Health System, Series 2009A, 5.250%, 6/01/39 | 6/19 at 100.00 | AA | 666,636 |
| 100 | Illinois Finance Authority, Revenue Bonds, OSF Healthcare System, Series 2007A, 5.750%, 11/15/37 | 11/17 at 100.00 | A | 110,231 |
| 100 | | 7/19 at 100.00 | A | 110,426 |

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Lycoming County Authority, Pennsylvania, Health System Revenue Bonds, Susquehanna Health System Project, Series 2009A, 5.750%, 7/01/39

| | | | | |
|-------|--|-----------------|------|-----------|
| 500 | Pennsylvania Economic Development Financing Authority, Health System Revenue Bonds , Albert Einstein Healthcare, Series 2009A, 6.250%, 10/15/23 | 10/19 at 100.00 | BBB+ | 590,295 |
| 100 | Philadelphia Hospitals and Higher Education Facilities Authority, Pennsylvania, Hospital Revenue Bonds, Temple University Health System Obligated Group, Series 2012A, 5.625%, 7/01/42 | 7/22 at 100.00 | BBB | 108,761 |
| 1,200 | Southcentral Pennsylvania General Authority, Revenue Bonds, Hanover Hospital Inc., Series 2005, 5.000%, 12/01/29 RAAI Insured | 12/15 at 100.00 | BBB | 1,230,199 |
| 730 | St. Mary Hospital Authority, Pennsylvania, Health System Revenue Bonds, Catholic Health East, Series 2009D, 6.250%, 11/15/34 | 5/19 at 100.00 | A+ | 843,829 |

100 Nuveen Investments

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| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|------------|
| Health Care (continued) | | | | |
| \$ 100 | West Shore Area Authority, Cumberland County, Pennsylvania, Hospital Revenue Bonds, Holy Spirit Hospital of the Sisters of Christian Charity, Series 2011B, 5.750%, 1/01/41 | 1/22 at 100.00 | BBB+ | \$ 114,720 |
| 4,115 | Total Health Care | | | 4,574,296 |
| Housing/Multifamily 4.7% (4.7% of Total Investments) | | | | |
| 15 | Chester County Industrial Development Authority, Pennsylvania, Student Housing Revenue Bonds, University Student Housing, LLC Project at West Chester University Series 2013A, 5.000%, 8/01/45 | 8/23 at 100.00 | Baa3 | 15,887 |
| 50 | Pennsylvania Higher Educational Facilities Authority, Revenue Bonds, Edinboro University Foundation Student Housing Project, Series 2010, 6.000%, 7/01/43 | 7/20 at 100.00 | Baa3 | 56,543 |
| 800 | Pittsburgh Urban Redevelopment Authority, Pennsylvania, Multifamily Housing Revenue Bonds, Eva P. Mitchell Residence Project, Series 2009, 5.100%, 10/20/44 | 10/19 at 100.00 | Aaa | 867,279 |
| 865 | Total Housing/Multifamily | | | 939,709 |
| Housing/Single Family 1.0% (1.0% of Total Investments) | | | | |
| Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Series 2012-114: | | | | |
| 55 | 3.300%, 10/01/32 | No Opt. Call | AA+ | 54,687 |
| 25 | 3.650%, 10/01/37 | No Opt. Call | AA+ | 25,108 |
| 40 | 3.700%, 10/01/42 | No Opt. Call | AA+ | 40,180 |
| 25 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 3950, 10.496%, 4/01/33 (WI/DD, Settling 5/02/13) (IF) | 10/22 at 100.00 | AA+ | 25,526 |
| 50 | Pennsylvania Housing Finance Agency, Single Family Mortgage Revenue Bonds, Tender Option Bonds Trust 4296, 14.310%, 4/01/29 (WI/DD, Settling 5/02/13) (Alternative Minimum Tax) (IF) | 10/22 at 100.00 | AA+ | 54,879 |
| 195 | Total Housing/Single Family | | | 200,380 |
| Long-Term Care 4.3% (4.4% of Total Investments) | | | | |
| 750 | Montgomery County Industrial Development Authority, Pennsylvania, Retirement Communities Revenue Bonds, ACTS Retirement Life Communities, Inc. Obligated Group, Series 2009A-1, 6.250%, 11/15/29 | 11/19 at 100.00 | A | 872,264 |
| Tax Obligation/General 8.2% (8.3% of Total Investments) | | | | |
| 700 | Bethel Park School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2009, 5.100%, 8/01/33 | 8/19 at 100.00 | Aa2 | 826,252 |
| 150 | Deer Lakes School District, Allegheny County, Pennsylvania, General Obligation Bonds, Series 2011A, 3.000%, 10/01/14 AGM Insured | No Opt. Call | A1 | 154,929 |
| 80 | Philadelphia School District, Pennsylvania, General Obligation Bonds, Series 2011C, 3.000%, 9/01/13 | No Opt. Call | AA | 80,760 |
| 390 | Pittsburgh, Pennsylvania, General Obligation Bonds, Series 2012B, 5.000%, 9/01/26 | 9/22 at 100.00 | A1 | 457,072 |
| 70 | Radnor Township School District, Delaware County, Pennsylvania, General Obligation Bonds, Series 2012, 3.000%, 2/15/34 | 2/18 at 100.00 | Aa2 | 69,910 |
| 25 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012A, 8.500%, 9/01/22 | No Opt. Call | N/R | 25,727 |
| 25 | Scranton, Pennsylvania, General Obligation Bonds, Series 2012C, 7.250%, 9/01/22 | No Opt. Call | N/R | 24,395 |
| 1,440 | Total Tax Obligation/General | | | 1,639,045 |
| Tax Obligation/Limited 19.5% (19.9% of Total Investments) | | | | |
| 25 | Allentown Neighborhood Improvement Zone Development Authority, Pennsylvania, Tax Revenue Bonds, Series 2012A, 5.000%, 5/01/35 | 5/22 at 100.00 | Baa2 | 26,992 |
| 240 | Government of Guam, Business Privilege Tax Bonds, Series 2011A, 5.250%, 1/01/36 | 1/22 at 100.00 | A | 271,258 |
| 550 | Guam Government, Limited Obligation Section 30 Revenue Bonds, Series 2009A, 5.750%, 12/01/34 | 12/19 at 100.00 | BBB+ | 614,499 |

Nuveen Pennsylvania Municipal Value Fund (continued)

Portfolio of Investments April 30, 2013

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|--|--|------------------------------|-------------|------------|
| Tax Obligation/Limited (continued) | | | | |
| \$ 1,075 | Harrisburg Parking Authority, Dauphin County, Pennsylvania, Guaranteed Parking Revenue Bonds, Series 2007R, 4.250%, 5/15/21 SYNCORA GTY Insured | 11/16 at 100.00 | N/R | \$ 957,287 |
| 750 | Philadelphia Municipal Authority, Philadelphia, Pennsylvania, Lease Revenue Bonds, Series 2009, 6.500%, 4/01/34 | 4/19 at 100.00 | A2 | 868,244 |
| 750 | Puerto Rico Sales Tax Financing Corporation, Sales Tax Revenue Bonds, First Subordinate Series 2009A, 6.000%, 8/01/42 | 8/19 at 100.00 | A+ | 821,993 |
| 350 | Southeastern Pennsylvania Transportation Authority, Capital Grant Receipts Bonds, Federal Transit Administration Section 5309 Fixed Guideway Modernization Formula Funds, Series 2011, 3.000%, 6/01/15 | No Opt. Call | A+ | 366,233 |
| 3,740 | Total Tax Obligation/Limited | | | 3,926,506 |
| Transportation 5.0% (5.1% of Total Investments) | | | | |
| 240 | Delaware River Port Authority, New Jersey and Pennsylvania, Revenue Bonds, Series 2010E, 5.000%, 1/01/40 | 1/20 at 100.00 | A | 268,272 |
| Pennsylvania Turnpike Commission, Motor License Fund-Enhanced Subordinate Special Revenue Bonds, Series 2010A: | | | | |
| 580 | 0.000%, 12/01/34 | 12/20 at 100.00 | AA | 575,859 |
| 100 | 5.000%, 12/01/38 | 12/19 at 100.00 | AA | 111,080 |
| 50 | Pennsylvania Turnpike Commission, Turnpike Revenue Bonds, Subordinate Lien, Refunding Series 2010B-1, 5.000%, 12/01/37 | 12/19 at 100.00 | A | 54,056 |
| 970 | Total Transportation | | | 1,009,267 |
| U.S. Guaranteed 2.1% (2.2% of Total Investments) (4) | | | | |
| 5 | Allegheny County Hospital Development Authority, Pennsylvania, Hospital Revenue Bonds, Allegheny Valley Hospital-Sublessee, Series 1982Q, 7.000%, 8/01/15 (ETM) | No Opt. Call | AA+ (4) | 5,547 |
| 200 | Hazleton Area School District, Luzerne County, Pennsylvania, General Obligation Bonds, Series 2004, 5.125%, 3/01/28 (Pre-refunded 9/01/14) AGM Insured | 9/14 at 100.00 | A1 (4) | 212,936 |
| 200 | Wisconsin Health and Educational Facilities Authority, Revenue Bonds, ProHealth Care, Inc. Obligated Group, Series 2009, 6.625%, 2/15/32 (Pre-refunded 2/18/14) | 2/14 at 100.00 | A+ (4) | 210,056 |
| 405 | Total U.S. Guaranteed | | | 428,539 |
| Utilities 0.8% (0.9% of Total Investments) | | | | |
| 170 | Delaware County Industrial Development Authority, Pennsylvania, Resource Recovery Revenue Refunding Bonds, Series 1997A, 6.100%, 7/01/13 | No Opt. Call | Ba1 | 170,694 |
| Water and Sewer 12.2% (12.4% of Total Investments) | | | | |
| 175 | Bucks County Water and Sewer Authority, Pennsylvania, Revenue Bonds, Tender Option Bond Trust 4015, 13.138%, 12/01/19 (IF) (5) | No Opt. Call | AA | 256,743 |
| 750 | Chester County Industrial Development Authority, Pennsylvania, Water Facilities Revenue Bonds, Aqua Pennsylvania Inc. Project, Series 2007A, 5.000%, 2/01/40 FGIC Insured (Alternative Minimum Tax) | 2/17 at 100.00 | AA | 791,498 |

| Principal Amount (000) | Description (1) | Optional Call Provisions (2) | Ratings (3) | Value |
|---|--|------------------------------|-------------|---------------|
| Water and Sewer (continued) | | | | |
| Philadelphia, Pennsylvania, Water and Wastewater Revenue Bonds, Series 2009A: | | | | |
| \$ 750 | 5.250%, 1/01/32 | 1/19 at 100.00 | A1 | \$ 838,380 |
| 500 | 5.250%, 1/01/36 | 1/19 at 100.00 | A1 | 555,615 |
| 2,175 | Total Water and Sewer | | | 2,442,236 |
| \$ 17,985 | Total Investments (cost \$ 17,250,604) | 98.4% | | 19,774,294 |
| | Other Assets Less Liabilities | 1.6% | | 315,057 |
| | Net Assets Applicable to Common Shares | 100% | | \$ 20,089,351 |

- (1) All percentages shown in the Portfolio of Investments are based on net assets applicable to Common shares unless otherwise noted.
- (2) Optional Call Provisions (not covered by the report of independent registered public accounting firm): Dates (month and year) and prices of the earliest optional call or redemption. There may be other call provisions at varying prices at later dates. Certain mortgage-backed securities may be subject to periodic principal paydowns.
- (3) Ratings (not covered by the report of independent registered public accounting firm): Using the highest of Standard & Poor's Group (Standard & Poor's), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch) rating. Ratings below BBB by Standard & Poor's, Baa by Moody's or BBB by Fitch are considered to be below investment grade. Holdings designated N/R are not rated by any of these national rating agencies.
- (4) Backed by an escrow or trust containing sufficient U.S. Government or U.S. Government agency securities, which ensure the timely payment of principal and interest. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities.
- (5) Investment, or portion of investment, has been pledged to collateralize the net payment obligations for investments in inverse floating rate transactions.
- N/R Not rated.
- WI/DD Investment, or portion of investment, purchased on a when-issued or delayed delivery basis.
- (ETM) Escrowed to maturity.
- (IF) Inverse floating rate investment.

See accompanying notes to financial statements.

Statement of
Assets & Liabilities

April 30, 2013

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|---|--|--|--|--|---|
| Assets | | | | | |
| Investments, at value (cost \$425,722,228, \$256,907,646, \$135,534,975, \$96,000,988 and \$22,908,320, respectively) | \$ 459,172,219 | \$ 279,613,784 | \$ 148,996,120 | \$ 103,122,129 | \$ 26,723,376 |
| Cash | 597,501 | 1,414,836 | 91,594 | 516,247 | 98,002 |
| Receivables: | | | | | |
| Interest | 6,759,316 | 3,898,564 | 2,009,588 | 1,532,598 | 363,592 |
| Investments sold | 4,079,544 | 1,757,063 | 294,764 | 1,172,102 | 1,019,219 |
| Deferred offering costs | 760,690 | 524,886 | 284,535 | 426,350 | |
| Other assets | 177,920 | 111,802 | 10,987 | 10,746 | 273 |
| Total assets | 471,547,190 | 287,320,935 | 151,687,588 | 106,780,172 | 28,204,462 |
| Liabilities | | | | | |
| Floating rate obligations | | | | | 1,500,000 |
| Payables: | | | | | |
| Common share dividends | 1,206,503 | 745,263 | 344,862 | 248,806 | 76,850 |
| Interest | | | 85,980 | 58,414 | |
| Investments purchased | 751,166 | 455,252 | 273,151 | 170,720 | 12,785 |
| Offering costs | 260,000 | 260,000 | 74,924 | 66,748 | |
| MuniFund Term Preferred (MTP) Shares, at liquidation value | | | 44,861,000 | 35,050,000 | |
| Variable Rate Demand Preferred (VRDP) Shares, at liquidation value | 144,300,000 | 88,600,000 | | | |
| Accrued expenses: | | | | | |
| Management fees | 234,012 | 143,995 | 77,360 | 54,240 | 13,022 |
| Directors/Trustees fees | 57,909 | 34,811 | 1,054 | 742 | 182 |
| Other | 137,871 | 92,438 | 77,003 | 51,688 | 27,861 |
| Total liabilities | 146,947,461 | 90,331,759 | 45,795,334 | 35,701,358 | 1,630,700 |
| Net assets applicable to Common shares | \$ 324,599,729 | \$ 196,989,176 | \$ 105,892,254 | \$ 71,078,814 | \$ 26,573,762 |
| Common shares outstanding | 20,490,335 | 12,083,027 | 6,570,688 | 4,527,014 | 1,565,036 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 15.84 | \$ 16.30 | \$ 16.12 | \$ 15.70 | \$ 16.98 |
| Net assets applicable to Common shares consist of: | | | | | |
| Common shares, \$.01 par value per share | \$ 204,903 | \$ 120,830 | \$ 65,707 | \$ 45,270 | \$ 15,650 |
| Paid-in surplus | 288,971,982 | 172,316,786 | 92,702,384 | 63,803,440 | 22,357,405 |
| Undistributed (Over-distribution of) net investment income | 3,303,600 | 2,401,543 | 388,742 | 379,748 | 70,213 |
| Accumulated net realized gain (loss) | (1,330,747) | (556,121) | (725,724) | (270,785) | 315,438 |
| Net unrealized appreciation (depreciation) | 33,449,991 | 22,706,138 | 13,461,145 | 7,121,141 | 3,815,056 |

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| | | | | | |
|---|----------------|----------------|----------------|---------------|---------------|
| Net assets applicable to Common shares | \$ 324,599,729 | \$ 196,989,176 | \$ 105,892,254 | \$ 71,078,814 | \$ 26,573,762 |
| Authorized shares: | | | | | |
| Common | 200,000,000 | 200,000,000 | Unlimited | Unlimited | Unlimited |
| Preferred | 1,000,000 | 1,000,000 | Unlimited | Unlimited | N/A |
| N/A Fund is not authorized to issue Preferred shares. | | | | | |

See accompanying notes to financial statements.

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|---|--|--|--|--|---|
| Assets | | | | | |
| Investments, at value (cost \$361,906,926, \$320,017,036, \$68,966,420, \$78,999,441 and \$17,250,604, respectively) | \$ 393,447,562 | \$ 348,038,897 | \$ 74,512,846 | \$ 84,463,276 | \$ 19,774,294 |
| Cash | 3,131,767 | 942,338 | 417,092 | 1,397,628 | 213,856 |
| Receivables: | | | | | |
| Interest | 5,865,967 | 5,272,031 | 1,099,258 | 1,223,019 | 273,076 |
| Investments sold | 255,000 | 1,560,000 | 10,000 | 5,000 | |
| Deferred offering costs | 635,740 | 584,052 | 336,827 | 351,241 | |
| Other assets | 141,953 | 132,577 | 10,588 | 10,629 | 218 |
| Total assets | 403,477,989 | 356,529,895 | 76,386,611 | 87,450,793 | 20,261,444 |
| Liabilities | | | | | |
| Floating rate obligations | 25,810,000 | 7,555,000 | 155,000 | 3,825,000 | |
| Payables: | | | | | |
| Common share dividends | 987,670 | 993,832 | 187,252 | 224,667 | 60,100 |
| Interest | | | 40,583 | 43,984 | |
| Investments purchased | 2,292,420 | 875,141 | | 733,039 | 75,254 |
| Offering costs | 303,679 | 301,453 | 101,217 | 86,623 | |
| MuniFund Term Preferred (MTP) Shares, at liquidation value | | | 23,190,000 | 24,550,000 | |
| Variable Rate Demand Preferred (VRDP) Shares, at liquidation value | 112,500,000 | 105,000,000 | | | |
| Accrued expenses: | | | | | |
| Management fees | 187,246 | 174,972 | 38,908 | 43,882 | 9,540 |
| Directors/Trustees fees | 46,590 | 43,002 | 530 | 576 | 138 |
| Other | 155,166 | 146,957 | 50,012 | 52,030 | 27,061 |
| Total liabilities | 142,282,771 | 115,090,357 | 23,763,502 | 29,559,801 | 172,093 |
| Net assets applicable to Common shares | \$ 261,195,218 | \$ 241,439,538 | \$ 52,623,109 | \$ 57,890,992 | \$ 20,089,351 |
| Common shares outstanding | 16,109,304 | 15,595,551 | 3,321,984 | 3,726,562 | 1,219,352 |
| Net asset value per Common share outstanding (net assets applicable to Common shares, divided by Common shares outstanding) | \$ 16.21 | \$ 15.48 | \$ 15.84 | \$ 15.53 | \$ 16.48 |
| Net assets applicable to Common shares consist of: | | | | | |
| Common shares, \$.01 par value per share | \$ 161,093 | \$ 155,956 | \$ 33,220 | \$ 37,266 | \$ 12,194 |
| Paid-in surplus | 227,929,326 | 213,269,616 | 46,881,728 | 52,501,623 | 17,432,669 |
| Undistributed (Over-distribution of) net investment income | 1,865,597 | 2,636,774 | 196,749 | 162,792 | 76,715 |
| Accumulated net realized gain (loss) | (301,434) | (2,644,669) | (35,014) | (274,524) | 44,083 |
| Net unrealized appreciation (depreciation) | 31,540,636 | 28,021,861 | 5,546,426 | 5,463,835 | 2,523,690 |
| Net assets applicable to Common shares | \$ 261,195,218 | \$ 241,439,538 | \$ 52,623,109 | \$ 57,890,992 | \$ 20,089,351 |
| Authorized shares: | | | | | |
| Common | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Preferred | Unlimited | Unlimited | Unlimited | Unlimited | N/A |
| N/A Fund is not authorized to issue Preferred shares. | | | | | |

See accompanying notes to financial statements.

Statement of
Operations

Year Ended April 30, 2013

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|---|--|--|--|---|---|
| Investment Income | \$ 21,126,412 | \$ 13,032,390 | \$ 6,599,492 | \$ 4,771,718 | \$ 1,266,418 |
| Expenses | | | | | |
| Management fees | 2,849,941 | 1,757,267 | 943,982 | 661,947 | 159,235 |
| Shareholder servicing agent fees and expenses | 26,184 | 16,235 | 17,507 | 17,623 | 210 |
| Interest expense and amortization of offering costs | 679,172 | 520,355 | 1,335,202 | 867,203 | 11,549 |
| Liquidity fees | 1,125,541 | 691,081 | | | |
| Remarketing fees | 146,304 | 89,831 | | | |
| Custodian fees and expenses | 74,969 | 50,353 | 30,576 | 24,181 | 9,786 |
| Directors/Trustees fees and expenses | 12,563 | 7,740 | 4,147 | 2,974 | 868 |
| Professional fees | 57,764 | 44,536 | 32,761 | 28,873 | 20,585 |
| Shareholder reporting expenses | 86,783 | 56,710 | 53,432 | 44,483 | 9,714 |
| Stock exchange listing fees | 8,489 | 8,510 | 15,849 | 15,574 | 207 |
| Investor relations expenses | 53,453 | 33,336 | 20,273 | 15,141 | 3,966 |
| Other expenses | 53,634 | 50,942 | 32,074 | 28,715 | 4,434 |
| Total expenses | 5,174,797 | 3,326,896 | 2,485,803 | 1,706,714 | 220,554 |
| Net investment income (loss) | 15,951,615 | 9,705,494 | 4,113,689 | 3,065,004 | 1,045,864 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from investments | 1,028,392 | 584,789 | 232,718 | 377,218 | 374,231 |
| Change in net unrealized appreciation (depreciation) of investments | 10,937,098 | 5,446,434 | 5,860,118 | 2,200,083 | 583,344 |
| Net realized and unrealized gain (loss) | 11,965,490 | 6,031,223 | 6,092,836 | 2,577,301 | 957,575 |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$ 27,917,105 | \$ 15,736,717 | \$ 10,206,525 | \$ 5,642,305 | \$ 2,003,439 |

See accompanying notes to financial statements.

| | Pennsylvania | Pennsylvania | Pennsylvania | Pennsylvania | Pennsylvania |
|---|------------------|------------------|------------------|------------------|----------------|
| | Investment | Premium | Dividend | Dividend | Municipal |
| | Quality | Income 2 | Advantage | Advantage 2 | Value |
| | (NQP) | (NPY) | (NXM) | (NVY) | (NPN) |
| Investment Income | \$ 17,638,244 | \$ 16,366,689 | \$ 3,504,655 | \$ 4,033,522 | \$ 994,958 |
| Expenses | | | | | |
| Management fees | 2,293,217 | 2,124,427 | 476,336 | 537,645 | 117,117 |
| Shareholder servicing agent fees and expenses | 27,381 | 23,025 | 17,621 | 17,482 | 158 |
| Interest expense and amortization of offering costs | 831,444 | 760,319 | 623,900 | 696,837 | |
| Liquidity fees | 934,314 | 847,306 | | | |
| Remarketing fees | 114,063 | 103,222 | | | |
| Custodian fees and expenses | 54,779 | 54,949 | 20,167 | 19,898 | 8,177 |
| Directors/Trustees fees and expenses | 10,161 | 9,374 | 2,186 | 2,362 | 707 |
| Professional fees | 240,098 | 213,658 | 27,016 | 27,436 | 20,336 |
| Shareholder reporting expenses | 79,228 | 77,049 | 32,245 | 35,209 | 9,760 |
| Stock exchange listing fees | 8,483 | 8,483 | 15,462 | 15,470 | 163 |
| Investor relations expenses | 45,603 | 41,971 | 11,579 | 12,422 | 3,605 |
| Other expenses | 49,890 | 49,237 | 29,568 | 27,580 | 4,035 |
| Total expenses | 4,688,661 | 4,313,020 | 1,256,080 | 1,392,341 | 164,058 |
| Net investment income (loss) | 12,949,583 | 12,053,669 | 2,248,575 | 2,641,181 | 830,900 |
| Realized and Unrealized Gain (Loss) | | | | | |
| Net realized gain (loss) from investments | 666,639 | 1,443,096 | 263,532 | 244,365 | 67,438 |
| Change in net unrealized appreciation (depreciation) of investments | 7,906,461 | 5,004,340 | 1,540,508 | 1,732,860 | 385,887 |
| Net realized and unrealized gain (loss) | 8,573,100 | 6,447,436 | 1,804,040 | 1,977,225 | 453,325 |
| Net increase (decrease) in net assets applicable to Common shares from operations | \$ 21,522,683 | \$ 18,501,105 | \$ 4,052,615 | \$ 4,618,406 | \$ 1,284,225 |

See accompanying notes to financial statements.

Statement of
Changes in Net Assets

| | New Jersey Investment Quality (NQJ) Year | | New Jersey Premium Income (NNJ) Year | |
|---|--|------------------|--|------------------|
| | Ended 4/30/13 | Ended 4/30/12 | Ended 4/30/13 | Ended 4/30/12 |
| Operations | | | | |
| Net investment income (loss) | \$ 15,951,615 | \$ 17,008,773 | \$ 9,705,494 | \$ 10,267,598 |
| Net realized gain (loss) from investments | 1,028,392 | (865,021) | 584,789 | (308,644) |
| Change in net unrealized appreciation (depreciation) of investments | 10,937,098 | 34,150,935 | 5,446,434 | 20,146,359 |
| Net increase (decrease) in net assets applicable to Common shares from operations | 27,917,105 | 50,294,687 | 15,736,717 | 30,105,313 |
| Distributions to Common Shareholders | | | | |
| From net investment income | (16,974,690) | (17,181,129) | (10,407,066) | (10,280,951) |
| From accumulated net realized gains | | | | (126,384) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (16,974,690) | (17,181,129) | (10,407,066) | (10,407,335) |
| Capital Share Transactions | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 575,768 | | 659,462 | 89,789 |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 575,768 | | 659,462 | 89,789 |
| Net increase (decrease) in net assets applicable to Common shares | 11,518,183 | 33,113,558 | 5,989,113 | 19,787,767 |
| Net assets applicable to Common shares at the beginning of period | 313,081,546 | 279,967,988 | 191,000,063 | 171,212,296 |
| Net assets applicable to Common shares at the end of period | \$ 324,599,729 | \$ 313,081,546 | \$ 196,989,176 | \$ 191,000,063 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 3,303,600 | \$ 4,044,152 | \$ 2,401,543 | \$ 2,827,026 |

See accompanying notes to financial statements.

| | New Jersey Dividend Advantage (NXJ) Year | | New Jersey Dividend Advantage 2 (NUJ) Year | | New Jersey Municipal Value (NJV) Year | |
|---|--|----------------|--|---------------|---|--|
| | Ended | Ended | Ended | Ended | Ended | Ended |
| | 4/30/13 | 4/30/12 | 4/30/13 | 4/30/12 | 4/30/13 | 4/30/12 |
| Operations | | | | | | |
| Net investment income (loss) | \$ 4,113,689 | \$ 4,635,973 | \$ 3,065,004 | \$ 3,483,887 | \$ 1,045,864 | \$ 1,171,320 |
| Net realized gain (loss) from investments | 232,718 | (480,592) | 377,218 | (338,868) | 374,231 | 349,986 |
| Change in net unrealized appreciation (depreciation) of investments | 5,860,118 | 12,538,713 | 2,200,083 | 8,174,233 | 583,344 | 2,619,397 |
| Net increase (decrease) in net assets applicable to Common shares from operations | 10,206,525 | 16,694,094 | 5,642,305 | 11,319,252 | 2,003,439 | 4,140,703 |
| Distributions to Common Shareholders | | | | | | |
| From net investment income | (4,904,711) | (5,479,307) | (3,523,283) | (3,881,115) | (1,047,328) | (1,180,090) |
| From accumulated net realized gains | | (35,478) | | (39,352) | (395,298) | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (4,904,711) | (5,514,785) | (3,523,283) | (3,920,467) | (1,442,626) | (1,180,090) |
| Capital Share Transactions | | | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 12,510 | | 48,492 | 9,602 | 56,345 | 15,231 |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 12,510 | | 48,492 | 9,602 | 56,345 | 15,231 |
| Net increase (decrease) in net assets applicable to Common shares | 5,314,324 | 11,179,309 | 2,167,514 | 7,408,387 | 617,158 | 2,975,844 |
| Net assets applicable to Common shares at the beginning of period | 100,577,930 | 89,398,621 | 68,911,300 | 61,502,913 | 25,956,604 | 22,980,760 |
| Net assets applicable to Common shares at the end of period | \$ 105,892,254 | \$ 100,577,930 | \$ 71,078,814 | \$ 68,911,300 | \$ 26,573,762 | \$ 25,956,604 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 388,742 | \$ 876,993 | \$ 379,748 | \$ 687,947 | \$ 70,213 | \$ 71,678 |
| | | | | | | <i>See accompanying notes to financial statements.</i> |

Statement of
Changes in Net Assets (continued)

| | Pennsylvania Investment Quality (NQP) | | Pennsylvania Premium Income 2 (NPY) | |
|---|--|--------------------------|--|--------------------------|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 |
| Operations | | | | |
| Net investment income (loss) | \$ 12,949,583 | \$ 14,531,161 | \$ 12,053,669 | \$ 12,986,690 |
| Net realized gain (loss) from investments | 666,639 | 1,184,990 | 1,443,096 | 553,848 |
| Change in net unrealized appreciation (depreciation) of investments | 7,906,461 | 26,107,807 | 5,004,340 | 24,759,260 |
| Net increase (decrease) in net assets applicable to Common shares from operations | 21,522,683 | 41,823,958 | 18,501,105 | 38,299,798 |
| Distributions to Common Shareholders | | | | |
| From net investment income | (14,620,276) | (14,891,410) | (13,100,263) | (13,100,263) |
| From accumulated net realized gains | | | | |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (14,620,276) | (14,891,410) | (13,100,263) | (13,100,263) |
| Capital Share Transactions | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | 355,820 | 99,350 | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | 355,820 | 99,350 | | |
| Net increase (decrease) in net assets applicable to Common shares | 7,258,227 | 27,031,898 | 5,400,842 | 25,199,535 |
| Net assets applicable to Common shares at the beginning of period | 253,936,991 | 226,905,093 | 236,038,696 | 210,839,161 |
| Net assets applicable to Common shares at the end of period | \$ 261,195,218 | \$ 253,936,991 | \$ 241,439,538 | \$ 236,038,696 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 1,865,597 | \$ 3,128,930 | \$ 2,636,774 | \$ 3,279,077 |

See accompanying notes to financial statements.

| | Pennsylvania Dividend Advantage (NXM) | | Pennsylvania Dividend Advantage 2 (NVY) | | Pennsylvania Municipal Value (NPN) | |
|---|---------------------------------------|---------------|---|---------------|--|---------------|
| | Year | Year | Year | Year | Year | Year |
| | Ended | Ended | Ended | Ended | Ended | Ended |
| | 4/30/13 | 4/30/12 | 4/30/13 | 4/30/12 | 4/30/13 | 4/30/12 |
| Operations | | | | | | |
| Net investment income (loss) | \$ 2,248,575 | \$ 2,456,220 | \$ 2,641,181 | \$ 2,941,594 | \$ 830,900 | \$ 882,773 |
| Net realized gain (loss) from investments | 263,532 | 165,896 | 244,365 | 152,162 | 67,438 | 371,929 |
| Change in net unrealized appreciation (depreciation) of investments | 1,540,508 | 5,231,434 | 1,732,860 | 4,576,945 | 385,887 | 1,560,979 |
| Net increase (decrease) in net assets applicable to Common shares from operations | 4,052,615 | 7,853,550 | 4,618,406 | 7,670,701 | 1,284,225 | 2,815,681 |
| Distributions to Common Shareholders | | | | | | |
| From net investment income | (2,589,487) | (2,870,194) | (3,187,858) | (3,331,148) | (775,508) | (868,179) |
| From accumulated net realized gains | (129,890) | (214,268) | (125,213) | (230,647) | (367,635) | (27,923) |
| Decrease in net assets applicable to Common shares from distributions to Common shareholders | (2,719,377) | (3,084,462) | (3,313,071) | (3,561,795) | (1,143,143) | (896,102) |
| Capital Share Transactions | | | | | | |
| Net proceeds from Common shares issued to shareholders due to reinvestment of distributions | | | 7,060 | | | |
| Net increase (decrease) in net assets applicable to Common shares from capital share transactions | | | 7,060 | | | |
| Net increase (decrease) in net assets applicable to Common shares | 1,333,238 | 4,769,088 | 1,312,395 | 4,108,906 | 141,082 | 1,919,579 |
| Net assets applicable to Common shares at the beginning of period | 51,289,871 | 46,520,783 | 56,578,597 | 52,469,691 | 19,948,269 | 18,028,690 |
| Net assets applicable to Common shares at the end of period | \$ 52,623,109 | \$ 51,289,871 | \$ 57,890,992 | \$ 56,578,597 | \$ 20,089,351 | \$ 19,948,269 |
| Undistributed (Over-distribution of) net investment income at the end of period | \$ 196,749 | \$ 405,701 | \$ 162,792 | \$ 571,871 | \$ 76,715 | \$ 23,517 |
| | | | | | <i>See accompanying notes to financial statements.</i> | |

Statement of
Cash Flows

Year Ended April 30, 2013

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) |
|--|--|--|--|
| Cash Flows from Operating Activities: | | | |
| Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations | \$ 27,917,105 | \$ 15,736,717 | \$ 10,206,525 |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities: | | | |
| Purchases of investments | (66,028,124) | (40,283,122) | (24,710,478) |
| Proceeds from sales and maturities of investments | 68,346,448 | 41,209,739 | 25,163,151 |
| Proceeds from (Purchases of) short-term investments, net | | | |
| Amortization (Accretion) of premiums and discounts, net | 429,409 | 127,460 | (319,608) |
| (Increase) Decrease in: | | | |
| Receivable for interest | 131,247 | 196,173 | 146,412 |
| Receivable for investments sold | (4,079,544) | (570,742) | 4,971,913 |
| Other assets | (23,229) | (14,348) | 3,345 |
| Increase (Decrease) in: | | | |
| Payable for interest | | | (5,724) |
| Payable for investments purchased | 751,166 | 455,252 | (5,398,152) |
| Accrued management fees | 3,648 | 1,728 | 1,945 |
| Accrued Directors/Trustees fees | 3,805 | 2,318 | (87) |
| Accrued other expenses | 41,526 | 19,013 | 27,550 |
| Net realized (gain) loss from investments | (1,028,392) | (584,789) | (232,718) |
| Change in net unrealized (appreciation) depreciation of investments | (10,937,098) | (5,446,434) | (5,860,118) |
| Taxes paid on undistributed capital gains | (36) | | (127) |
| Net cash provided by (used in) operating activities | 15,527,931 | 10,848,965 | 3,993,829 |
| Cash Flows from Financing Activities: | | | |
| (Increase) Decrease in deferred offering costs | (10,583) | 70,391 | 309,104 |
| Increase (Decrease) in: | | | |
| Floating rate obligations | | | |
| Payable for offering costs | 237,635 | 170,877 | (32,874) |
| VRDP Shares, at liquidation value | | | |
| Cash distributions paid to Common shareholders | (16,451,087) | (9,758,780) | (4,985,194) |
| Net cash provided by (used in) financing activities | (16,224,035) | (9,517,512) | (4,708,964) |
| Net Increase (Decrease) in Cash | (696,104) | 1,331,453 | (715,135) |
| Cash at the beginning of period | 1,293,605 | 83,383 | 806,729 |
| Cash at the end of Period | \$ 597,501 | \$ 1,414,836 | \$ 91,594 |

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) |
|---|--|--|--|
| Cash paid for interest (excluding amortization of offering costs) was as follows: | \$ 575,768 | \$ 659,462 | \$ 12,510 |

| | New Jersey Investment | New Jersey Premium | New Jersey |
|--|--------------------------|-----------------------|------------|
| | | | |

| Quality | Income | Dividend |
|---------|--------|-----------|
| (NQJ) | (NNJ) | Advantage |
| | | (NXJ) |

| | | |
|------------|------------|--------------|
| \$ 391,831 | \$ 240,584 | \$ 1,031,821 |
|------------|------------|--------------|

See accompanying notes to financial statements.

| | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|--|--|--|--|
| Cash Flows from Operating Activities: | | | |
| Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations | \$ 5,642,305 | \$ 21,522,683 | \$ 18,501,105 |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities: | | | |
| Purchases of investments | (27,782,856) | (65,674,324) | (56,730,946) |
| Proceeds from sales and maturities of investments | 29,049,465 | 71,418,610 | 58,847,880 |
| Proceeds from (Purchases of) short-term investments, net | | (4,635,000) | |
| Amortization (Accretion) of premiums and discounts, net | 82,129 | 444,214 | (2,110,905) |
| (Increase) Decrease in: | | | |
| Receivable for interest | 100,822 | (351,416) | 16,980 |
| Receivable for investments sold | (1,172,102) | 363,312 | (1,500,000) |
| Other assets | 2,406 | (18,240) | (20,293) |
| Increase (Decrease) in: | | | |
| Payable for interest | (3,887) | | |
| Payable for investments purchased | 170,720 | (5,392,190) | (134,235) |
| Accrued management fees | 601 | 1,828 | 3,564 |
| Accrued Directors/Trustees fees | (73) | 3,063 | 2,850 |
| Accrued other expenses | 6,104 | 69,120 | 66,182 |
| Net realized (gain) loss from investments | (377,218) | (666,639) | (1,443,096) |
| Change in net unrealized (appreciation) depreciation of investments | (2,200,083) | (7,906,461) | (5,004,340) |
| Taxes paid on undistributed capital gains | | (39) | (235) |
| Net cash provided by (used in) operating activities | 3,518,333 | 9,178,521 | 10,494,511 |
| Cash Flows from Financing Activities: | | | |
| (Increase) Decrease in deferred offering costs | 170,076 | 25,287 | 42,803 |
| Increase (Decrease) in: | | | |
| Floating rate obligations | | (815,000) | (4,320,000) |
| Payable for offering costs | 168 | 245,783 | 229,181 |
| VRDP Shares, at liquidation value | | | 5,000,000 |
| Cash distributions paid to Common shareholders | (3,540,023) | (14,366,995) | (13,093,281) |
| Net cash provided by (used in) financing activities | (3,369,779) | (14,910,925) | (12,141,297) |
| Net Increase (Decrease) in Cash | 148,554 | (5,732,404) | (1,646,786) |
| Cash at the beginning of period | 367,693 | 8,864,171 | 2,589,124 |
| Cash at the end of Period | \$ 516,247 | \$ 3,131,767 | \$ 942,338 |

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

| | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|---|--|--|--|
| Cash paid for interest (excluding amortization of offering costs) was as follows: | \$ 48,492 | \$ 355,820 | \$ |

Cash paid for interest (excluding amortization of offering costs) was as follows:

| | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|---|--|--|--|
| Cash paid for interest (excluding amortization of offering costs) was as follows: | \$ 701,014 | \$ 423,792 | \$ 354,280 |

See accompanying notes to financial statements.

Statement of
Cash Flows (continued)

Year Ended April 30, 2013

| | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) |
|--|--|--|
| Cash Flows from Operating Activities: | | |
| Net Increase (Decrease) in Net Assets Applicable to Common Shares from Operations | \$ 4,052,615 | \$ 4,618,406 |
| Adjustments to reconcile the net increase (decrease) in net assets applicable to Common shares from operations to net cash provided by (used in) operating activities: | | |
| Purchases of investments | (10,211,564) | (21,169,935) |
| Proceeds from sales and maturities of investments | 11,486,475 | 21,903,360 |
| Proceeds from (Purchases of) short-term investments, net | | (1,000,000) |
| Amortization (Accretion) of premiums and discounts, net | (300,437) | (152,051) |
| (Increase) Decrease in: | | |
| Receivable for interest | (251) | (71,276) |
| Receivable for investments sold | 2,398,111 | 2,756,722 |
| Other assets | 1,767 | 2,082 |
| Increase (Decrease) in: | | |
| Payable for interest | (2,705) | (2,927) |
| Payable for investments purchased | (2,947,830) | 60,122 |
| Accrued management fees | 372 | 275 |
| Accrued Directors/Trustees fees | (53) | (59) |
| Accrued other expenses | 10,444 | 11,006 |
| Net realized (gain) loss from investments | (263,532) | (244,365) |
| Change in net unrealized (appreciation) depreciation of investments | (1,540,508) | (1,732,860) |
| Taxes paid on undistributed capital gains | (9,827) | (3,350) |
| Net cash provided by (used in) operating activities | 2,673,077 | 4,975,150 |
| Cash Flows from Financing Activities: | | |
| (Increase) Decrease in deferred offering costs | 134,359 | 140,113 |
| Increase (Decrease) in: | | |
| Floating rate obligations | (770,000) | (455,000) |
| Payable for offering costs | 29,979 | (5,612) |
| VRDP Shares, at liquidation value | | |
| Cash distributions paid to Common shareholders | (2,750,141) | (3,349,897) |
| Net cash provided by (used in) financing activities | (3,355,803) | (3,670,396) |
| Net Increase (Decrease) in Cash | (682,726) | 1,304,754 |
| Cash at the beginning of period | 1,099,818 | 92,874 |
| Cash at the end of Period | \$ 417,092 | \$ 1,397,628 |

Supplemental Disclosure of Cash Flow Information

Non-cash financing activities not included herein consist of reinvestments of Common share distributions as follows:

| | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) |
|--|--|--|
| | \$ | \$ 7,060 |

Cash paid for interest (excluding amortization of offering costs) was as follows:

| | Pennsylvania Dividend Advantage | Pennsylvania Dividend Advantage 2 (NVY) |
|--|---------------------------------------|--|
| | | |

(NXM)

\$ 492,246 \$ 559,652

See accompanying notes to financial statements.

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Nuveen Investments 115

Financial Highlights

Selected data for a Common share outstanding throughout each period:

| Beginning | Investment Operations Distributions | | | | | Less Distributions | | | | | Ending | | |
|--|---|-------------------|---------------------------------|---|---|--|---|---|------------------------------|--------------|--------|---------|---------|
| | Common Share Investment Net Asset Value | Net Income (Loss) | Realized/Unrealized Gain (Loss) | Auction Rate Preferred Share-holders(a) | Realized Gains to Auction Rate Preferred Share-holders(a) | From Investment Income to Common Share-holders | From Accumulated Net Realized Gains to Common Share-holders | Discount from Common Shares Repurchased and Retired | Common Share Net Asset Value | Market Value | | | |
| New Jersey Investment Quality (NQJ) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | \$15.31 | \$.77 | \$.59 | | \$ | \$ | \$1.36 | \$(.83) | \$ | \$(.83) | \$ | \$15.84 | \$15.15 |
| 2012 | 13.69 | .83 | 1.63 | | | | 2.46 | (.84) | | (.84) | | 15.31 | 14.93 |
| 2011 | 14.44 | .85 | (.73) | (.01) | | | .11 | (.83) | (.03) | (.86) | | 13.69 | 12.68 |
| 2010 | 13.00 | .92 | 1.31 | (.03) | | | 2.20 | (.76) | | (.76) | | 14.44 | 13.56 |
| 2009 | 14.26 | .91 | (1.22) | (.18) | (.03) | | (.52) | (.65) | (.09) | (.74) | * | 13.00 | 11.37 |
| New Jersey Premium Income (NNJ) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | 15.86 | .80 | .50 | | | | 1.30 | (.86) | | (.86) | | 16.30 | 15.97 |
| 2012 | 14.22 | .85 | 1.65 | | | | 2.50 | (.85) | (.01) | (.86) | | 15.86 | 15.48 |
| 2011 | 14.96 | .86 | (.76) | (.01) | | | .09 | (.82) | (.01) | (.83) | | 14.22 | 13.44 |
| 2010 | 13.83 | .90 | 1.02 | (.03) | | * | 1.89 | (.74) | (.02) | (.76) | | 14.96 | 14.19 |
| 2009 | 14.64 | .88 | (.78) | (.17) | (.03) | | (.10) | (.63) | (.08) | (.71) | * | 13.83 | 11.96 |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

| Total Returns Based on | | Ratios/Supplemental Data Ratios to Average Net Assets Applicable to Common Shares(c) | | | |
|---------------------------|----------|--|-------------|------------|-----------|
| Common | Ending | | | | |
| Share | Net | Assets | | Net | |
| on | Net | Applicable | | Investment | Portfolio |
| Market | Asset | to Common | | Income | Turnover |
| Value(b) | Value(b) | Shares (000) | Expenses(d) | (Loss) | Rate |
| 7.04% | 8.91% | \$324,600 | 1.61% | 4.97% | 14% |
| 24.98 | 18.41 | 313,082 | 1.61 | 5.70 | 9 |
| (.46) | .67 | 279,968 | 1.55 | 5.96 | 9 |
| 26.39 | 17.23 | 295,382 | 1.16 | 6.57 | 4 |
| (7.10) | (3.41) | 265,928 | 1.29 | 6.94 | 1 |
| 8.80 | 8.23 | 196,989 | 1.70 | 4.96 | 14 |
| 22.07 | 18.03 | 191,000 | 1.64 | 5.62 | 10 |
| .41 | .57 | 171,212 | 1.59 | 5.85 | 7 |
| 25.45 | 13.90 | 180,024 | 1.19 | 6.19 | 3 |
| (5.69) | (.40) | 166,428 | 1.28 | 6.44 | 1 |

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to Auction Rate Preferred Shares (ARPS) and/or VRDP Shares, where applicable.
- (d) The expense ratios reflect, among other things, all interest expense and other costs related to VRDP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

New Jersey Investment Quality (NQJ)

| Year Ended 4/30: | |
|------------------|------|
| 2013 | .61% |
| 2012 | .58 |
| 2011 | .51 |
| 2010 | |
| 2009 | |

New Jersey Premium Income (NNJ)

| Year Ended 4/30: | |
|------------------|------|
| 2013 | .67% |
| 2012 | .58 |
| 2011 | .51 |
| 2010 | |
| 2009 | |

* Rounds to less than \$.01 per share.

See accompanying notes to financial statements.

Financial
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

| Beginning | Investment Operations | | | | | Less Distributions | | | | | Ending | |
|--|-----------------------|-------|--------|-------|-------|--------------------|---------|-------|---------|----|---------|---------|
| | Distributions | | | | | From | | | | | | |
| Common | from | | | | | From | | | | | Common | |
| | Accumulated | | | | | From | | | | | | |
| Share | Net | | | | | Net | | | | | Share | |
| | Investment | | | | | Net | | | | | | |
| Net | Realized | | | | | Net | | | | | Net | |
| | Income | | | | | Investment | | | | | | |
| Asset | to | | | | | Realized | | | | | Asset | |
| | Gains | | | | | to | | | | | | |
| Value | to | | | | | to | | | | | Value | |
| | Preferred | | | | | Preferred | | | | | | |
| Value | Share- | | | | | Share- | | | | | Value | |
| | holders(a) | | | | | holders(a) | | | | | | |
| Value | Total | | | | | Total | | | | | Value | |
| | Total | | | | | Total | | | | | | |
| New Jersey Dividend Advantage (NXJ) | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | |
| 2013 | \$15.31 | \$.63 | \$.93 | \$ | \$ | \$1.56 | \$(.75) | \$ | \$(.75) | \$ | \$16.12 | \$14.94 |
| 2012 | 13.61 | .71 | 1.83 | | | 2.54 | (.83) | (.01) | (.84) | | 15.31 | 14.92 |
| 2011 | 14.51 | .89 | (.91) | (.03) | * | (.05) | (.83) | (.02) | (.85) | | 13.61 | 12.67 |
| 2010 | 12.97 | .91 | 1.42 | (.03) | * | 2.30 | (.75) | (.01) | (.76) | | 14.51 | 13.48 |
| 2009 | 14.26 | .91 | (1.27) | (.16) | (.03) | (.55) | (.66) | (.08) | (.74) | * | 12.97 | 11.15 |
| New Jersey Dividend Advantage 2 (NUJ) | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | |
| 2013 | 15.23 | .68 | .57 | | | 1.25 | (.78) | | (.78) | | 15.70 | 15.28 |
| 2012 | 13.60 | .77 | 1.73 | | | 2.50 | (.86) | (.01) | (.87) | | 15.23 | 15.74 |
| 2011 | 14.47 | .85 | (.82) | (.01) | | .02 | (.85) | (.04) | (.89) | | 13.60 | 12.55 |
| 2010 | 12.93 | .94 | 1.45 | (.03) | (.01) | 2.35 | (.78) | (.03) | (.81) | | 14.47 | 14.68 |
| 2009 | 14.35 | .95 | (1.42) | (.17) | (.02) | (.66) | (.69) | (.07) | (.76) | * | 12.93 | 11.46 |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011, the Adviser is no longer reimbursing New Jersey Dividend Advantage (NXJ) for any fees or expenses. As of March 31, 2012, the Adviser is no longer reimbursing New Jersey Dividend Advantage 2 (NUJ) for any fees or expenses.

| | | Ratios/Supplemental Data | | | | | | |
|---------------|-----------|--------------------------|------------------|---------------|-------------------|---------------------|-----------|--|
| | | Ratios to Average | | | Ratios to Average | | | |
| | | Net Assets | | | Net Assets | | | |
| | | Applicable to | | | Applicable to | | | |
| | | Common Shares | | | Common Shares | | | |
| | | Before | | | After | | | |
| Total Returns | Based | Ending | Reimbursement(d) | | | Reimbursement(c)(d) | | |
| on | on | Net | | | | | | |
| Based | Common | Assets | | | | | | |
| on | Share Net | Applicable | Net | | | Net | | |
| Market | Asset | to Common | Investment | | | Investment | | |
| Value(b) | Value(b) | Shares (000) | Expenses(e) | Income (Loss) | Expenses(e) | Income (Loss) | Portfolio | |
| | | | | | | | Turnover | |
| | | | | | | | Rate | |
| 5.04% | 10.29% | \$ 105,892 | 2.37% | 3.91% | N/A | N/A | 17% | |
| 25.08 | 19.09 | 100,578 | 2.52 | 4.82 | N/A | N/A | 15 | |
| .11 | (.38) | 89,399 | 1.34 | 6.16 | 1.27% | 6.23% | 6 | |
| 28.17 | 18.03 | 95,300 | 1.18 | 6.35 | 1.04 | 6.49 | 4 | |
| (8.95) | (3.63) | 85,230 | 1.29 | 6.74 | 1.06 | 6.98 | ** | |
| 1.99 | 8.35 | 71,079 | 2.42 | 4.35 | N/A | N/A | 27 | |
| 33.35 | 18.82 | 68,911 | 2.59 | 5.22 | 2.52 | 5.30 | 9 | |
| (8.75) | .10 | 61,503 | 1.96 | 5.84 | 1.81 | 5.99 | 7 | |
| 35.95 | 18.55 | 65,410 | 1.22 | 6.54 | 1.00 | 6.76 | 4 | |
| (9.75) | (4.36) | 58,456 | 1.33 | 6.95 | 1.03 | 7.25 | ** | |

- (d) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

New Jersey Dividend Advantage (NXJ)

| Year Ended 4/30: | |
|------------------|-------|
| 2013 | 1.27% |
| 2012 | 1.41 |
| 2011 | .15 |
| 2010 | |
| 2009 | |

New Jersey Dividend Advantage 2 (NUJ)

| Year Ended 4/30: | |
|------------------|-------|
| 2013 | 1.23% |
| 2012 | 1.33 |
| 2011 | .79 |
| 2010 | |
| 2009 | |

* Rounds to less than \$.01 per share.

** Rounds to less than 1%.

N/A Fund no longer has a contractual reimbursement agreement with the Adviser.

See accompanying notes to financial statements.

Financial
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

| | Investment Operations Distributions | | | | | Less Distributions | | | | | Discount from Common Shares | Ending Common Share Net Asset Value | Ending Market Value |
|--|--|----------------------|------------------------|------------------------|-----------------|---------------------|--|--|----------------------|-------------------|-----------------------------|-------------------------------------|---------------------|
| | Beginning Common Share Net Asset Value | Realized Gain (Loss) | Preferred Shareholders | Preferred Shareholders | Accumulated Net | From Investment Net | From Realized Gains to Common Shareholders | From Realized Gains to Common Shareholders | From Accumulated Net | Retired and Costs | | | |
| New Jersey Municipal Value (NJV) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | \$16.62 | \$.67 | \$.61 | N/A | N/A | \$1.28 | \$(.67) | \$(.25) | \$(.92) | \$ | \$ | \$16.98 | \$16.02 |
| 2012 | 14.72 | .75 | 1.91 | N/A | N/A | 2.66 | (.76) | | (.76) | | | 16.62 | 16.34 |
| 2011 | 15.84 | .82 | (1.15) | N/A | N/A | (.33) | (.77) | (.02) | (.79) | | | 14.72 | 13.81 |
| 2010 | 14.29 | .70 | 1.55 | N/A | N/A | 2.25 | (.70) | | (.70) | | * | 15.84 | 15.21 |
| 2009(e) | 14.33 | (.01) | | N/A | N/A | (.01) | | | | | (.03) | 14.29 | 15.00 |
| Pennsylvania Investment Quality (NQP) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | 15.78 | .80 | .54 | \$ | \$ | 1.34 | (.91) | | (.91) | | | 16.21 | 15.24 |
| 2012 | 14.11 | .90 | 1.70 | | | 2.60 | (.93) | | (.93) | | | 15.78 | 15.67 |
| 2011 | 14.82 | .93 | (.73) | (.01) | | .19 | (.90) | | (.90) | | | 14.11 | 13.09 |
| 2010 | 13.53 | .96 | 1.16 | (.03) | | 2.09 | (.80) | | (.80) | | * | 14.82 | 13.64 |
| 2009 | 14.39 | .96 | (.94) | (.20) | | (.18) | (.68) | | (.68) | | * | 13.53 | 11.34 |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

| Total Returns Based on | | Ratios/Supplemental Data Ratios to Average Net Assets Applicable to Common Shares(c) | | | |
|------------------------------|---------------------|--|----------------------|----------------------|-----------------------|
| | | Ending Net | Assets Applicable | Investment Income | Portfolio Turnover |
| Based on | Common Share Net | Assets to Common | Expenses(d) | Net (Loss) | Rate |
| Market Value(b) | Asset Value(b) | Shares (000) | | | |
| 3.58% | 7.86% | \$ 26,574 | .83% | 3.95% | 7% |
| 24.34 | 18.43 | 25,957 | .85 | 4.76 | 20 |
| (4.19) | (2.17) | 22,981 | .85 | 5.32 | 2 |
| 6.32 | 16.05 | 24,722 | .82 | 4.63 | 5 |
| | (.24) | 20,891 | .64** | (.64)** | 0 |
| 2.97 | 8.50 | 261,195 | 1.80 | 4.98 | 17 |
| 27.48 | 18.88 | 253,937 | 1.63 | 6.00 | 18 |
| 2.43 | 1.27 | 226,905 | 1.60 | 6.38 | 8 |
| 27.87 | 15.74 | 238,368 | 1.23 | 6.72 | 6 |
| (7.99) | (1.01) | 218,353 | 1.50 | 7.23 | 3 |

- (c) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or VRDP Shares, where applicable.
- (d) The expense ratios reflect, among other things, all interest expense and other costs related to VRDP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 General Information and Significant Accounting Policies, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

New Jersey Municipal Value (NJV)

Year Ended 4/30:

| | |
|---------|------|
| 2013 | .04% |
| 2012 | .04 |
| 2011 | .06 |
| 2010 | .06 |
| 2009(e) | |

Pennsylvania Investment Quality (NQP)

Year Ended 4/30:

| | |
|------|------|
| 2013 | .72% |
| 2012 | .61 |
| 2011 | .55 |
| 2010 | .07 |
| 2009 | .19 |

- (e) For the period April 28, 2009 (commencement of operations) through April 30, 2009.

N/A Fund is not authorized to issue ARPS.

* Rounds to less than \$.01 per share.

** Annualized.

See accompanying notes to financial statements.

Financial
Highlights (continued)

Selected data for a Common share outstanding throughout each period:

| Beginning Common Share | Investment Operations Distributions | | | | | Total | Less Distributions | | | | |
|--|--|-------------|------------|------------|--------|---------|---|---|---|---|---------------------------|
| | Net | Realized | Preferred | Share- | Share- | | From Investment Income to Common Share- | From Accum- ulated Net Common Share- | Discount from Common Shares Repurchased and Retired | Ending Common Share Net Asset Value | Ending Market Value |
| Value | (Loss) | Gain (Loss) | holders(a) | holders(a) | | holders | holders | Total | Retired | Value | Value |
| Pennsylvania Premium Income 2 (NPY) | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | |
| 2013 | \$15.14 | \$.77 | \$.41 | \$ | \$ | \$ 1.18 | \$(.84) | \$ (.84) | \$ | \$15.48 | \$14.64 |
| 2012 | 13.52 | .83 | 1.63 | | | 2.46 | (.84) | (.84) | | 15.14 | 14.51 |
| 2011 | 14.11 | .85 | (.59) | (.01) | | .25 | (.84) | (.84) | | 13.52 | 12.29 |
| 2010 | 12.72 | .91 | 1.28 | (.03) | | 2.16 | (.77) | (.77) | * | 14.11 | 12.91 |
| 2009 | 13.74 | .91 | (1.12) | (.19) | | (.40) | (.62) | (.62) | * | 12.72 | 10.60 |
| Pennsylvania Dividend Advantage (NXM) | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | |
| 2013 | 15.44 | .68 | .54 | | | 1.22 | (.78) | (.04) | (.82) | 15.84 | 14.51 |
| 2012 | 14.00 | .74 | 1.62 | | | 2.36 | (.86) | (.06) | (.92) | 15.44 | 14.42 |
| 2011 | 14.73 | .85 | (.65) | (.01) | | .19 | (.87) | (.05) | (.92) | 14.00 | 12.85 |
| 2010 | 13.09 | .96 | 1.55 | (.03) | (.01) | 2.47 | (.79) | (.04) | (.83) | * 14.73 | 13.77 |
| 2009 | 14.47 | .97 | (1.47) | (.18) | | (.68) | (.70) | (.70) | * | 13.09 | 11.31 |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.

- (c) After expense reimbursement from the Adviser, where applicable. As of March 31, 2011, the Adviser is no longer reimbursing Pennsylvania Dividend Advantage (NXM) for any fees or expenses.

| Ratios/Supplemental Data | | | | | | | |
|---|--|---|-------------|--------------------------------|---|-------------------------------|-----|
| | | Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(d) | | | Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) | | |
| Total Returns Based on Common Based on Market Value(b) | Ending Net Assets Share Net Asset Value(b) | Shares (000) | Expenses(e) | Investment Income (Loss) | Investment Income (Loss) | Portfolio Turnover Rate | |
| 6.68% | 7.86% | \$ 241,440 | 1.79% | 5.00% | N/A | N/A | 16% |
| 25.53 | 18.63 | 236,039 | 1.59 | 5.75 | N/A | N/A | 8 |
| 1.48 | 1.75 | 210,839 | 1.56 | 6.13 | N/A | N/A | 8 |
| 29.70 | 17.35 | 220,113 | 1.21 | 6.67 | N/A | N/A | 5 |
| (8.43) | (2.65) | 198,739 | 1.35 | 7.28 | N/A | N/A | 6 |
| 6.23 | 8.02 | 52,623 | 2.39 | 4.28 | N/A | N/A | 14 |
| 19.96 | 17.37 | 51,290 | 2.55 | 4.98 | N/A | N/A | 20 |
| (.27) | 1.23 | 46,521 | 1.94 | 5.78 | 1.87% | 5.85% | 8 |
| 29.85 | 19.29 | 48,934 | 1.26 | 6.66 | 1.11 | 6.81 | 5 |
| (11.67) | (4.57) | 43,587 | 1.37 | 7.17 | 1.14 | 7.39 | 4 |

- (d) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS, MTP Shares and/or VRDP Shares, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares, VRDP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, each as described in Footnote 1 General Information and Significant Accounting Policies, MuniFund Term Preferred Shares, Variable Rate Demand Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Pennsylvania Premium Income 2 (NPY)

| Year Ended 4/30: | |
|------------------|------|
| 2013 | .71% |
| 2012 | .57 |
| 2011 | .52 |
| 2010 | .05 |
| 2009 | .04 |

Pennsylvania Dividend Advantage (NXM)

| Year Ended 4/30: | |
|------------------|-------|
| 2013 | 1.19% |
| 2012 | 1.28 |
| 2011 | .76 |
| 2010 | .02 |
| 2009 | |

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N/A Fund did not have, or no longer has, a contractual reimbursement agreement with the Adviser.

* Rounds to less than \$.01 per share.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a Common share outstanding throughout each period:

| Beginning Common Share | Investment Operations Distributions | | | | | Less Distributions | | | | | Ending Common Share | Ending Market Value | |
|--|-------------------------------------|-------------------|---------------|----------------------------|----------------------------|------------------------|---------------------|----------|----------|--|---------------------|---------------------|---------|
| | Net Asset Value | Investment Income | Realized Gain | Preferred Shareholders (a) | Preferred Shareholders (a) | From Investment Income | From Realized Gains | From Net | From Net | Discount from Common Shares Repurchased and Offering Costs | | | |
| Pennsylvania Dividend Advantage 2 (NVY) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | \$15.18 | \$.71 | \$.53 | \$ | \$ | \$1.24 | \$(.86) | \$(.03) | \$(.89) | \$ | \$ | \$15.53 | \$14.26 |
| 2012 | 14.08 | .79 | 1.26 | | | 2.05 | (.89) | (.06) | (.95) | | | 15.18 | 14.90 |
| 2011 | 14.74 | .89 | (.60) | (.01) | | .28 | (.89) | (.05) | (.94) | | | 14.08 | 13.00 |
| 2010 | 13.42 | .97 | 1.27 | (.02) | (.01) | 2.21 | (.82) | (.07) | (.89) | | | 14.74 | 14.19 |
| 2009 | 14.49 | .99 | (1.17) | (.19) | * | (.37) | (.70) | * | (.70) | | | 13.42 | 11.45 |
| Pennsylvania Municipal Value (NPN) | | | | | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | | | | | |
| 2013 | 16.36 | .68 | .38 | N/A | N/A | 1.06 | (.64) | (.30) | (.94) | | | 16.48 | 15.86 |
| 2012 | 14.79 | .72 | 1.58 | N/A | N/A | 2.30 | (.71) | (.02) | (.73) | | | 16.36 | 15.38 |
| 2011 | 15.46 | .79 | (.70) | N/A | N/A | .09 | (.76) | | (.76) | | | 14.79 | 13.96 |
| 2010 | 14.29 | .70 | 1.19 | N/A | N/A | 1.89 | (.72) | | (.72) | | * | 15.46 | 15.43 |
| 2009(f) | 14.33 | (.01) | | N/A | N/A | (.01) | | | | | (.03) | 14.29 | 15.05 |

- (a) The amounts shown are based on Common share equivalents.
- (b) Total Return Based 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 may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.
Total Return Based on Common Share 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 reinvest 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. Total returns are not annualized.
- (c) After expense reimbursement from the Adviser, where applicable. As of March 31, 2012, the Adviser is no longer reimbursing Pennsylvania Dividend Advantage 2 (NVY) for any fees and expenses.

Ratios/Supplemental Data

| Total Returns Based on Common Share Net Asset Value(b) | Ending Net Assets Applicable to Common Shares | Ratios to Average Net Assets Applicable to Common Shares Before Reimbursement(d) | | Ratios to Average Net Assets Applicable to Common Shares After Reimbursement(c)(d) | | Portfolio Turnover Rate | |
|--|---|--|-------------|--|-------------|-------------------------|-----|
| | | Investment Income (Loss) | Expenses(e) | Investment Income (Loss) | Expenses(e) | | |
| 1.49% | 8.31% | \$ 57,891 | 2.41% | 4.57% | N/A | N/A | 25% |
| 22.71 | 15.01 | 56,579 | 2.54 | 5.30 | 2.47% | 5.37% | 11 |
| (2.00) | 1.89 | 52,470 | 1.88 | 5.94 | 1.74 | 6.08 | 7 |
| 32.47 | 16.80 | 54,920 | 1.30 | 6.61 | 1.08 | 6.83 | 5 |
| (9.16) | (2.33) | 49,993 | 1.37 | 7.07 | 1.06 | 7.38 | 4 |
| 9.39 | 6.58 | 20,089 | .81 | 4.11 | N/A | N/A | 7 |
| 15.68 | 15.89 | 19,948 | .86 | 4.60 | N/A | N/A | 11 |
| (4.77) | .59 | 18,029 | .87 | 5.17 | N/A | N/A | 3 |
| 7.52 | 13.49 | 18,805 | .82 | 4.68 | N/A | N/A | 5 |
| .33 | (.31) | 15,816 | .66** | (.66)** | N/A | N/A | 0 |

- (d) Ratios do not reflect the effect of dividend payments to Auction Rate Preferred shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and/or MTP Shares, where applicable.
- (e) The expense ratios reflect, among other things, all interest expense and other costs related to MTP Shares and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, where applicable, both as described in Footnote 1 – General Information and Significant Accounting Policies, MuniFund Term Preferred Shares and Inverse Floating Rate Securities, respectively, as follows:

Pennsylvania Dividend Advantage 2 (NVY)

| Year Ended 4/30: | |
|------------------|-------|
| 2013 | 1.21% |
| 2012 | 1.28 |
| 2011 | .71 |
| 2010 | .08 |
| 2009 | .01 |

Pennsylvania Municipal Value (NPN)

| Year Ended 4/30: | |
|------------------|---|
| 2013 | % |
| 2012 | |
| 2011 | |
| 2010 | |
| 2009(f) | |

(f) For the period April 28, 2009 (commencement of operations) through April 30, 2009.

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N/A Fund is not authorized to issue ARPS and does not have, or no longer has, a contractual reimbursement agreement with the Adviser.

* Rounds to less than \$.01 per share.

** Annualized.

See accompanying notes to financial statements.

Nuveen Investments 125

Financial
Highlights (continued)

| | ARPS at the End of Period Asset | | MTP Shares at the End of Period | | | VRDP Shares at the End of Period Asset | | | |
|--|------------------------------------|----------|---------------------------------|--------|-----------|--|-------------|------------|------------|
| | Aggregate | Coverage | Aggregate | Ending | Average | Asset | Aggregate | Coverage | |
| | Amount | Per | Amount | Market | Market | Coverage | Amount | Per | |
| | Outstanding | \$25,000 | Outstanding | Value | Value | Per \$10 | Outstanding | \$100,000 | |
| | (000) | Share | (000) | Series | Per Share | Per Share | Share | (000) | Share |
| New Jersey Investment Quality (NQJ) | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | |
| 2013 | \$ | \$ | \$ | | \$ | \$ | \$ | \$ 144,300 | \$ 324,948 |
| 2012 | | | | | | | | 144,300 | 316,966 |
| 2011 | | | | | | | | 144,300 | 294,018 |
| 2010 | 143,450 | 76,478 | | | | | | | |
| 2009 | 149,825 | 69,373 | | | | | | | |
| New Jersey Premium Income (NNJ) | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | |
| 2013 | | | | | | | | 88,600 | 322,335 |
| 2012 | | | | | | | | 88,600 | 315,576 |
| 2011 | | | | | | | | 88,600 | 293,242 |
| 2010 | 87,875 | 76,216 | | | | | | | |
| 2009 | 91,600 | 70,422 | | | | | | | |
| New Jersey Dividend Advantage (NXJ) | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | |
| 2013 | | | 44,861 | 2014 | 10.02 | 10.09 | | 33.60 | |
| 2012 | | | 44,861 | 2014 | 10.08 | 10.07 | | 32.42 | |
| 2011 | | | 44,861 | 2014 | 9.94 | 9.95^ | | 29.93 | |
| 2010 | 43,925 | 79,240 | | | | | | | |
| 2009 | 47,025 | 70,311 | | | | | | | |
| New Jersey Dividend Advantage 2 (NUJ) | | | | | | | | | |
| Year Ended 4/30: | | | | | | | | | |
| 2013 | | | 35,050 | 2015 | 10.04 | 10.05 | | 30.28 | |
| 2012 | | | 35,050 | 2015 | 10.04 | 9.91 | | 29.66 | |
| 2011 | | | 35,050 | 2015 | 9.62 | 9.65^^ | | 27.55 | |
| 2010 | 31,225 | 77,370 | | | | | | | |
| 2009 | 32,600 | 69,828 | | | | | | | |

^ For the period March 24, 2011 (first issuance date of shares) through April 30, 2011.

^^ For the period October 1, 2010 (first issuance date of shares) through April 30, 2011.

See accompanying notes to financial statements.

| ARPS at the End of Period | | | MTP Shares at the End of Period | | | VRDP Shares at the End of Period Asset | | |
|--|-----------------------------------|------------------------------------|---------------------------------|-------------------------------|--------------------------------|--|--------------------------|---------------------|
| Aggregate Amount Outstanding (000) | Asset Coverage Per \$25,000 Share | Aggregate Amount Outstanding (000) | Series | Ending Market Value Per Share | Average Market Value Per Share | Asset Coverage Per \$10 Share | Aggregate | Coverage |
| | | | | | | | Amount Outstanding (000) | Per \$100,000 Share |
| Pennsylvania Investment Quality (NQP) | | | | | | | | |
| Year Ended 4/30: | | | | | | | | |
| 2013 | \$ | \$ | \$ | \$ | \$ | \$ | \$ 112,500 | \$ 332,174 |
| 2012 | | | | | | | 112,500 | 325,722 |
| 2011 | | | | | | | 112,500 | 301,693 |
| 2010 | 111,750 | 78,326 | | | | | | |
| 2009 | 111,750 | 73,849 | | | | | | |
| Pennsylvania Premium Income 2 (NPY) | | | | | | | | |
| Year Ended 4/30: | | | | | | | | |
| 2013 | | | | | | | 105,000 | 329,942 |
| 2012 | | | | | | | 100,000 | 336,039 |
| 2011 | | | | | | | 100,000 | 310,839 |
| 2010 | 99,275 | 80,430 | | | | | | |
| 2009 | 99,275 | 75,047 | | | | | | |
| Pennsylvania Dividend Advantage (NXM) | | | | | | | | |
| Year Ended 4/30: | | | | | | | | |
| 2013 | | | 23,190 | 2015 | 10.05 | 10.05 | 32.69 | |
| 2012 | | | 23,190 | 2015 | 10.07 | 9.95 | 32.12 | |
| 2011 | | | 23,190 | 2015 | 9.65 | 9.75W | 30.06 | |
| 2010 | 22,500 | 79,372 | | | | | | |
| 2009 | 22,500 | 73,430 | | | | | | |
| Pennsylvania Dividend Advantage 2 (NVY) | | | | | | | | |
| Year Ended 4/30: | | | | | | | | |
| 2013 | | | 24,550 | 2015 | 10.03 | 10.05 | 33.58 | |
| 2012 | | | 24,550 | 2015 | 10.01 | 9.96 | 33.05 | |
| 2011 | | | 24,550 | 2015 | 9.75 | 9.68WW | 31.37 | |
| 2010 | 23,000 | 84,696 | | | | | | |
| 2009 | 23,000 | 79,340 | | | | | | |

W For the period October 4, 2010 (first issuance date of shares) through April 30, 2011.
 WW For the period October 27, 2010 (first issuance date of shares) through April 30, 2011.

See accompanying notes to financial statements.

Notes to
Financial Statements

1. General Information and Significant Accounting Policies

General Information

The funds covered in this report and their corresponding Common share stock exchange symbols are Nuveen New Jersey Investment Quality Municipal Fund, Inc. (NQJ), Nuveen New Jersey Premium Income Municipal Fund, Inc. (NNJ), Nuveen New Jersey Dividend Advantage Municipal Fund (NXJ), Nuveen New Jersey Dividend Advantage Municipal Fund 2 (NUJ), Nuveen New Jersey Municipal Value Fund (NJV), Nuveen Pennsylvania Investment Quality Municipal Fund (NQP), Nuveen Pennsylvania Premium Income Municipal Fund 2 (NPY), Nuveen Pennsylvania Dividend Advantage Municipal Fund (NXM), Nuveen Pennsylvania Dividend Advantage Municipal Fund 2 (NVY) and Nuveen Pennsylvania Municipal Value Fund (NPN) (each a Fund and collectively, the Funds). Common shares of New Jersey Investment Quality (NQJ), New Jersey Premium Income (NNJ), Pennsylvania Investment Quality (NQP) and Pennsylvania Premium Income 2 (NPY), are traded on the New York Stock Exchange (NYSE) while Common shares of New Jersey Dividend Advantage (NXJ), New Jersey Dividend Advantage 2 (NUJ), New Jersey Municipal Value (NJV), Pennsylvania Dividend Advantage (NXM), Pennsylvania Dividend Advantage 2 (NVY) and Pennsylvania Municipal Value (NPN) are traded on the NYSE MKT. The Funds are registered under the Investment Company Act of 1940, as amended, as diversified (non-diversified for New Jersey Dividend Advantage 2 (NUJ), New Jersey Municipal Value (NJV) and Pennsylvania Municipal Value (NPN)), closed-end registered investment companies.

On December 31, 2012, the Funds investment adviser converted from a Delaware corporation to a Delaware limited liability company. As a result, Nuveen Fund Advisors, Inc., a wholly-owned subsidiary of Nuveen Investments, Inc. (Nuveen), changed its name to Nuveen Fund Advisors, LLC (the Adviser). There were no changes to the identities or roles of any personnel as a result of the change.

Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a portfolio of municipal obligations issued by state and local government authorities within a single state or certain U.S. territories.

Approved Fund Reorganizations

On May 23, 2013, (subsequent to the close of this reporting period) the Funds Board of Trustees approved a series of reorganizations for certain of the Pennsylvania Funds included in this report. The reorganizations are intended to create a single larger state Fund, which would potentially offer shareholders the following benefits:

Lower Fund expense ratios (excluding the effects of leverage), as fixed costs are spread over a larger asset base;

Enhanced secondary market trading, as larger Funds potentially make it easier for investors to buy and sell Fund shares;

Lower per share trading costs through reduced bid/ask spreads due to a larger common share float; and

Increased Fund flexibility in managing the structure and cost of leverage over time.

The approved reorganizations are as follows:

| Acquired Funds | Acquiring Fund |
|---|---------------------------------------|
| Pennsylvania Premium Income 2 (NPY) | Pennsylvania Investment Quality (NQP) |
| Pennsylvania Dividend Advantage (NXM) | |
| Pennsylvania Dividend Advantage 2 (NVY) | |

If the shareholders approve the reorganizations, and upon the closing of the reorganizations, the Acquired Funds will transfer their assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of the liabilities of the Acquired Funds. The Acquired Funds will then be liquidated, dissolved and terminated in accordance with their Declaration of Trust.

In addition, shareholders of the Acquired Funds will become shareholders of the Acquiring Fund. Holders of common shares will receive newly issued common shares of the Acquiring Fund, the aggregate net asset value of which will be equal to the aggregate net asset value of the common shares of the Acquired Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Fractional shares will be sold on the open market and shareholders will receive cash in lieu of such fractional shares. Holders of preferred shares of each Acquired Fund will receive on a one-for-one basis newly issued preferred shares of the Acquiring Fund, in exchange for preferred shares of the Acquired Funds held immediately prior to the reorganization.

Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

Investment Valuation

Prices of municipal bonds are provided by a pricing service approved by the Funds Board of Directors/Trustees. These securities are generally classified as Level 2 for fair value measurement purposes. The pricing service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer, or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Funds Board of Directors/Trustees or its designee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's net asset value (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Funds Board of Directors/Trustees or its designee.

Refer to Footnote 2 Fair Value Measurements for further details on the leveling of securities held by the Funds as of the end of the reporting period.

Investment Transactions

Investment transactions are recorded on a trade date basis. Realized gains and losses from investment transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to earmark securities in the Funds portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. As of April 30, 2013, New Jersey Investment Quality (NQJ), New Jersey Premium Income (NNJ), New Jersey Dividend Advantage (NXJ), New Jersey Dividend Advantage 2 (NUJ), Pennsylvania Investment Quality (NQP), Pennsylvania Premium Income 2 (NPY), Pennsylvania Dividend Advantage 2 (NVY) and Pennsylvania Municipal Value (NPN) had outstanding when-issued/delayed delivery purchase commitments of \$751,166, \$455,252, \$273,151, \$170,720, \$2,292,420, \$622,009, \$205,661 and \$75,254, respectively. There were no such outstanding purchase commitments in any of the other Funds.

Investment Income

Investment income, which reflects the amortization of premiums and includes accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also reflects paydown gains and losses, if any.

Professional Fees

Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment, or to pursue other claims or legal actions on behalf of Fund shareholders. Legal fee refund presented on the Statement of Operations reflects a refund of workout expenditures paid in a prior reporting period, when applicable.

Income Taxes

Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

Notes to
Financial Statements (continued)

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

Dividends and Distributions to Common Shareholders

Dividends from net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

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

Auction Rate Preferred Shares

Each Fund except New Jersey Municipal Value (NJV) and Pennsylvania Municipal Value (NPN) is authorized to issue Auction Rate Preferred Shares (ARPS). During prior fiscal periods, the Funds redeemed all of their outstanding ARPS, at liquidation value.

MuniFund Term Preferred Shares

The following Funds have issued and outstanding MuniFund Term Preferred (MTP) Shares, with a \$10 stated (par) value per share. Each Fund 's MTP Shares are issued in one Series. Dividends on MTP Shares, which are recognized as interest expense for financial reporting purposes, are paid monthly at a fixed annual rate, subject to adjustments in certain circumstances. MTP Shares trade on the NYSE MKT. As of April 30, 2013, the number of MTP Shares outstanding, annual interest rate and NYSE MKT ticker symbol for each Fund are as follows:

| | Series | NYSE MKT Ticker | Shares Outstanding | Shares Outstanding at \$10 Per Share Liquidation Value | Annual Interest Rate |
|--|--------|-----------------|--------------------|--|----------------------|
| New Jersey Dividend Advantage (NXJ) | | | | | |
| | 2014 | NXJ PrA | 4,486,100 | \$ 44,861,000 | 2.30% |
| New Jersey Dividend Advantage 2 (NUJ) | | | | | |
| | 2015 | NUJ PrC | 3,505,000 | \$ 35,050,000 | 2.00% |
| Pennsylvania Dividend Advantage (NXM) | | | | | |
| | 2015 | NXM PrC | 2,319,000 | \$ 23,190,000 | 2.10% |
| Pennsylvania Dividend Advantage 2 (NVY) | | | | | |
| | 2015 | NVY PrC | 2,455,000 | \$ 24,550,000 | 2.15% |

Each Fund is obligated to redeem its MTP Shares by the date as specified in its offering document (Term Redemption Date), unless earlier redeemed or repurchased by the Fund. MTP Shares are subject to optional and mandatory redemption in certain circumstances. MTP Shares will be subject to redemption at the option of each Fund (Optional Redemption Date), subject to a payment of premium for one year following the Optional Redemption Date (Premium Expiration Date), and at par thereafter. MTP Shares also will be subject to redemption, at the option of each Fund, at par in the event of certain changes in the credit rating of the MTP Shares. Each Fund may be obligated to redeem certain of the MTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund 's series of MTP Shares by NYSE MKT ticker symbol are as follows:

| | Series | NYSE MKT Ticker | Term Redemption Date | Optional Redemption Date | Premium Expiration Date |
|--|--------|-----------------|----------------------|--------------------------|-------------------------|
| New Jersey Dividend Advantage (NXJ) | | | | | |
| | 2014 | NXJ PrA | April 1, 2014 | April 1, 2012 | March 31, 2013 |

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| | | | | | |
|--|------|---------|------------------|------------------|------------------|
| New Jersey Dividend Advantage 2 (NUJ) | 2015 | NUJ PrC | November 1, 2015 | November 1, 2011 | October 31, 2012 |
| Pennsylvania Dividend Advantage (NXM) | 2015 | NXM PrC | November 1, 2015 | November 1, 2011 | October 31, 2012 |
| Pennsylvania Dividend Advantage 2 (NVY) | 2015 | NVY PrC | November 1, 2015 | November 1, 2011 | October 31, 2012 |

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The average liquidation value of MTP Shares outstanding for each Fund during the fiscal year ended April 30, 2013, were as follows:

| | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) |
|---|--|--|--|--|
| Average liquidation value of MTP Shares outstanding | \$ 44,861,000 | \$ 35,050,000 | \$ 23,190,000 | \$ 24,550,000 |

For financial reporting purposes only, the liquidation value of MTP Shares is recorded as a liability and recognized as MuniFund Term Preferred (MTP) Shares, at liquidation value on the Statement of Assets and Liabilities. Unpaid dividends on MTP Shares are recognized as a component of Interest payable on the Statement of Assets and Liabilities. Dividends paid on MTP Shares and each Fund's amortized deferred charges are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations. Costs incurred by the Funds in connection with their offerings of MTP Shares were recorded as a deferred charge, which are amortized over the life of the shares and are recognized as components of Deferred offering costs on the Statement of Assets and Liabilities and Interest expense and amortization of offering costs on the Statement of Operations.

Variable Rate Demand Preferred Shares

The following Funds have issued and outstanding Variable Rate Demand Preferred (VRDP) Shares, with a \$100,000 liquidation value per share.

New Jersey Investment Quality (NQJ), New Jersey Premium Income (NNJ), Pennsylvania Investment Quality (NQP) and Pennsylvania Premium Income 2 (NPY) issued their VRDP Shares in privately negotiated offerings, which were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933.

During the current fiscal period, New Jersey Investment Quality (NQJ), New Jersey Premium Income (NNJ), Pennsylvania Investment Quality (NQP) and Pennsylvania Premium Income 2 (NPY) exchanged all 1,443, 886, 1,125 and 1,000 shares of their outstanding Series 1 VRDP for 1,443, 886, 1,125 and 1,000 shares of Series 2 VRDP, respectively. Concurrent with these exchanges, Pennsylvania Premium Income 2 (NPY) issued an additional 50 Series 2 VRDP Shares through a privately negotiated offering, which were offered to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933. The Funds completed their exchange offers in which they refinanced their existing VRDP Shares with new VRDP Shares at a reduced cost and with a maturity date of April 1, 2043 for New Jersey Investment Quality (NQJ) and New Jersey Premium Income (NNJ) and December 1, 2042 for Pennsylvania Investment Quality (NQP) and Pennsylvania Premium Income 2 (NPY).

As of April 30, 2013, the number of VRDP Shares outstanding and maturity date for each Fund are as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|-------------------------|--|--|--|--|
| Series | 2 | 2 | 2 | 2 |
| VRDP Shares outstanding | 1,443 | 886 | 1,125 | 1,050 |
| Maturity | April 1, 2043 | April 1, 2043 | December 1, 2042 | December 1, 2042 |

VRDP Shares include a liquidity feature that allows VRDP shareholders to have their shares purchased by a liquidity provider with whom each Fund has contracted in the event that purchase orders for VRDP Shares in a remarketing are not sufficient in number to be matched with the sale orders in that remarketing. Each Fund is required to redeem any VRDP Shares that are still owned by the liquidity provider after six months of continuous, unsuccessful remarketing. Each Fund pays an annual remarketing fee of .10% on the aggregate principal amount of all VRDP Shares outstanding. Each Fund's VRDP Shares have successfully remarketed since issuance.

Dividends on VRDP Shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the market value of the VRDP Shares is expected to approximate its liquidation value. If remarketings for VRDP Shares are continuously unsuccessful for six months, the maximum rate is designed to escalate according to a specified schedule in order to enhance the remarketing agent's ability to successfully remarket the VRDP Shares.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of each Fund. Each Fund may also redeem certain of the VRDP Shares if the Fund fails to maintain certain asset coverage requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends.

Notes to
Financial Statements (continued)

The average liquidation value of VRDP Shares outstanding and annualized dividend rate for each Fund during the fiscal year ended April 30, 2013, were as follows:

| | New Jersey Investment | | Pennsylvania Investment | |
|--|-----------------------|---------------------------------|-------------------------|-------------------------------------|
| | Quality (NQJ) | New Jersey Premium Income (NNJ) | Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
| Average liquidation value of VRDP Shares outstanding | 144,300,000 | 88,600,000 | 112,500,000 | 101,808,219 |
| Annualized dividend rate | 0.27% | 0.27% | 0.27% | 0.27% |

For financial reporting purposes only, the liquidation value of VRDP Shares is recorded as a liability and recognized as Variable Rate Demand Preferred (VRDP) Shares, at liquidation value on the Statement of Assets and Liabilities. Unpaid dividends on VRDP Shares are recognized as a component of Interest payable on the Statement of Assets and Liabilities, when applicable. Dividends paid on VRDP Shares are recognized as a component of Interest expense and amortization of offering costs on the Statement of Operations. Costs incurred by the Funds in connection with their offerings of VRDP Shares were recorded as a deferred charge, which are being amortized over the life of the shares and are recognized as components of Deferred offering costs on the Statement of Assets and Liabilities and Interest expense and amortization of offering costs on the Statement of Operations. In addition to interest expense, each Fund also pays a per annum liquidity fee to the liquidity provider, as well as a remarketing fee, which are recognized as Liquidity fees and Remarketing fees, respectively, on the Statement of Operations.

The Funds' exchange of VRDP Shares was deemed a modification of debt. Offering costs of \$260,000, \$260,000, \$385,000 and \$385,000 were incurred with New Jersey Investment Quality s (NQJ), New Jersey Premium Income s (NNJ), Pennsylvania Investment Quality s (NQP) and Pennsylvania Premium Income 2 s (NPY) issuance of Series 2 VRDP Shares, respectively, which were recorded as a deferred charge and are being amortized over the life of the shares.

Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. In turn, this trust (a) issues floating rate certificates, in face amounts equal to some fraction of the deposited bond's par amount or market value, that typically pay short-term tax-exempt interest rates to third parties, and (b) issues to a long-term investor (such as one of the Funds) an inverse floating rate certificate (sometimes referred to as an inverse floater) that represents all remaining or residual interest in the trust. The income received by the inverse floater holder varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the inverse floater holder bears substantially all of the underlying bond's downside investment risk and also benefits disproportionately from any potential appreciation of the underlying bond's value. The price of an inverse floating rate security will be more volatile than that of the underlying bond because the interest rate is dependent on not only the fixed coupon rate of the underlying bond but also on the short-term interest paid on the floating rate certificates, and because the inverse floating rate security essentially bears the risk of loss of the greater face value of the underlying bond.

A Fund may purchase an inverse floating rate security in a secondary market transaction without first owning the underlying bond (referred to as an externally-deposited inverse floater), or instead by first 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 (referred to as a self-deposited inverse floater). The inverse floater held by a Fund gives the Fund the right (a) to cause the holders of the floating rate certificates to tender their notes at par, and (b) to have the broker transfer the fixed-rate bond held by the trust to the Fund, thereby collapsing the trust. An investment in an externally-deposited inverse floater is identified in the Portfolio of Investments as (IF) Inverse floating rate investment. An investment in a self-deposited inverse floater is accounted for as a financing transaction. In such instances, a fixed-rate bond deposited into a special purpose trust is identified in the Portfolio of Investments as (UB) Underlying bond of an inverse floating rate trust reflected as a financing transaction, with the Fund accounting for the short-term floating rate certificates issued by the trust, at their liquidation value, as Floating rate obligations on the Statement of Assets and Liabilities. In addition, the Fund reflects in Investment Income the entire earnings of the underlying bond and recognizes the related interest paid to the holders of the short-term floating rate certificates as a component of Interest expense and amortization of offering costs on the Statement of Operations.

During the fiscal year ended April 30, 2013, each Fund invested in externally-deposited inverse floaters and/or self-deposited inverse floaters.

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a recourse trust or credit recovery swap) (such agreements referred to herein as Recourse Trusts) with a broker-dealer by which a Fund agrees to reimburse the broker-dealer, in certain circumstances, for the difference between the liquidation value of the fixed-rate bond held by the trust and the liquidation value of the floating rate certificates issued by the trust plus any shortfalls in interest cash flows. Under these agreements, a Fund's potential exposure to losses related to or on inverse floaters may increase beyond the value of a Fund's inverse floater investments as a Fund may potentially be liable to fulfill all amounts owed to holders of the floating rate certificates. At period end, any such shortfall is recognized as Unrealized depreciation on Recourse Trusts on the Statement of Assets and Liabilities.

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As of April 30, 2013, each Fund's maximum exposure to the floating rate obligations issued by externally-deposited Recourse Trusts, was as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|-------------------------------------|--|--|---|--|---|
| Maximum exposure to Recourse Trusts | \$ 19,335,000 | \$ 12,635,000 | \$ 5,785,000 | \$ 4,815,000 | \$ |

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|-------------------------------------|--|--|--|--|---|
| Maximum exposure to Recourse Trusts | \$ 2,155,000 | \$ 5,370,000 | \$ 745,000 | \$ 1,035,000 | \$ 540,000 |

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited inverse floaters for the following Funds during the fiscal year ended April 30, 2013, were as follows:

| | New Jersey Municipal Value (NJV) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) |
|---|---|--|--|--|--|
| Average floating rate obligations outstanding | \$ 1,500,000 | \$ 26,182,863 | \$ 10,745,986 | \$ 675,288 | \$ 4,124,712 |
| Average annual interest rate and fees | 0.77% | 0.43% | 0.69% | 0.78% | 0.77% |

Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities. Futures contracts, when applicable, expose a Fund to minimal counterparty credit risk as they are exchange traded and the exchange's clearinghouse, which is counterparty to all exchange traded futures, guarantees the futures contracts against default.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the predetermined threshold amount.

Zero Coupon Securities

Each Fund is authorized to invest in zero coupon securities. A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Common Shares Equity Shelf Programs and Offering Costs

During the current reporting period, the following Funds each filed initial registration statements with the Securities and Exchange Commission authorizing the Funds to issue additional Common shares through equity shelf programs (Shelf Offerings), which are not yet effective.

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Additional Common shares authorized to be issued through each Fund's Shelf Offering are as follows:

| Fund | Additional Common Shares |
|-------------------------------------|-----------------------------|
| New Jersey Investment Quality (NQJ) | 2,000,000 |
| New Jersey Premium Income (NNJ) | 1,200,000 |

Nuveen Investments 133

Notes to
Financial Statements (continued)

Under these Shelf Offerings, the Funds, subject to market conditions, may raise additional equity capital from time to time in varying amounts and offering methods at a net price at or above each Fund's net asset value (NAV) per Common share.

Costs incurred by the Funds in connection with their initial Shelf Offerings are recorded as a deferred charge, which will be amortized over the period such additional Common shares are sold not to exceed the one-year life of the Shelf Offering period. Ongoing Shelf Offering costs, and any additional costs the Funds may incur in connection with the Shelf Offerings, are expensed as incurred and recorded as a reduction of proceeds from shelf offering.

Indemnifications

Under the Funds' organizational documents, their officers and directors/trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Use of Estimates

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

2. Fair Value Measurements

Fair value is defined as the price that the Funds would receive upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances.

The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of the end of the reporting period:

| New Jersey Investment Quality (NQJ) | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|----------------|----------------|----------------|
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 459,172,219 | \$ | \$ 459,172,219 |
| New Jersey Premium Income (NNJ) | Level 1 | Level 2 | Level 3 | Total |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 279,613,784 | \$ | \$ 279,613,784 |
| New Jersey Dividend Advantage (NXJ) | Level 1 | Level 2 | Level 3 | Total |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 148,996,120 | \$ | \$ 148,996,120 |
| New Jersey Dividend Advantage 2 (NUJ) | Level 1 | Level 2 | Level 3 | Total |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 103,122,129 | \$ | \$ 103,122,129 |

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| New Jersey Municipal Value (NJV) | Level 1 | Level 2 | Level 3 | Total |
|----------------------------------|---------|---------------|---------|---------------|
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 26,723,376 | \$ | \$ 26,723,376 |

* Refer to the Fund's Portfolio of Investments for industry classifications.

| Pennsylvania Investment Quality (NQP) | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|-----------------------|----------------|-----------------------|
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 386,812,562 | \$ | \$ 386,812,562 |
| Short-Term Investments*: | | | | |
| Municipal Bonds | | 6,635,000 | | 6,635,000 |
| Total | \$ | \$ 393,447,562 | \$ | \$ 393,447,562 |
| Pennsylvania Premium Income 2 (NPY) | | | | |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 348,038,897 | \$ | \$ 348,038,897 |
| Pennsylvania Dividend Advantage (NXM) | | | | |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 74,512,846 | \$ | \$ 74,512,846 |
| Pennsylvania Dividend Advantage 2 (NVY) | | | | |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 83,463,276 | \$ | \$ 83,463,276 |
| Short-Term Investments*: | | | | |
| Municipal Bonds | | 1,000,000 | | 1,000,000 |
| Total | \$ | \$ 84,463,276 | \$ | \$ 84,463,276 |
| Pennsylvania Municipal Value (NPN) | | | | |
| Long-Term Investments*: | | | | |
| Municipal Bonds | \$ | \$ 19,774,294 | \$ | \$ 19,774,294 |

* Refer to the Fund's Portfolio of Investments for industry classifications.

The Nuveen funds' Board of Directors/Trustees is responsible for the valuation process and has delegated the oversight of the daily valuation process to the Adviser's Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board of Directors/Trustees, is responsible for making fair value determinations, evaluating the effectiveness of the funds' pricing policies and reporting to the Board of Directors/Trustees. The Valuation Committee is aided in its efforts by the Adviser's dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

- (i.) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.
- (ii.) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument's current value.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board of Directors/Trustees, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board of Directors/Trustees.

3. Derivative Instruments and Hedging Activities

Each Fund is authorized to invest in certain derivative instruments, including futures, options and swap contracts. The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes. Although the Funds are authorized to invest in such derivatives, and may do so in the future, they did not make any such investments during the fiscal year ended April 30, 2013.

Notes to
Financial Statements (continued)

4. Fund Shares

Common Shares

Transactions in Common shares were as follows:

| | New Jersey Investment Quality (NQJ) | | New Jersey Premium Income (NNJ) | | New Jersey Dividend Advantage (NXJ) | |
|---|--|-----------------------|------------------------------------|-----------------------|--|-----------------------|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 |
| Common shares issued to shareholders due to reinvestment of distributions | 36,613 | | 40,586 | 5,845 | 776 | |

| | New Jersey Dividend Advantage 2 (NUJ) | | New Jersey Municipal Value (NJV) | | | |
|---|--|-----------------------|-------------------------------------|-----------------------|-------|-----|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 | | |
| Common shares issued to shareholders due to reinvestment of distributions | | | 3,072 | 629 | 3,325 | 924 |

| | Pennsylvania Investment Quality (NQP) | | Pennsylvania Premium Income 2 (NPY) | | Pennsylvania Dividend Advantage (NXM) | |
|---|--|--------------------------|--|--------------------------|---|--------------------------|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 |
| Common shares issued to shareholders due to reinvestment of distributions | 22,021 | 6,385 | | | | |

| | Pennsylvania Dividend Advantage 2 (NVY) | | Pennsylvania Municipal Value (NPN) | | | |
|---|---|--------------------------|---------------------------------------|--------------------------|--|--|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | Year Ended 4/30/12 | | |
| Common shares issued to shareholders due to reinvestment of distributions | | | 446 | | | |

Preferred Shares

Transactions in VRDP Shares were as follows:

| | New Jersey Investment Quality (NQJ) | | New Jersey Premium Income (NNJ) | | | |
|------------------------|-------------------------------------|-----------------------|---------------------------------|--------------|-----------------------|--------|
| | Year Ended 4/30/13 | Year Ended 4/30/12 | Year Ended 4/30/13 | | Year Ended 4/30/12 | |
| | Shares | Amount | Shares | Amount | Shares | Amount |
| VRDP Shares issued: | | | | | | |
| Series 1 | | \$ | | \$ | | \$ |
| Series 2 | | | | | | |
| VRDP Shares exchanged: | | | | | | |
| Series 1 | (1,443) | (144,300,000) | (886) | (88,600,000) | | |

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| | | | | |
|----------|-------|-------------|-----|------------|
| Series 2 | 1,443 | 144,300,000 | 886 | 88,600,000 |
| Total | | \$ | \$ | \$ |

136 Nuveen Investments

| | Pennsylvania Investment Quality (NQP) | | Pennsylvania Premium Income 2 (NPY) | | Pennsylvania Premium Income 2 (NPY) | |
|------------------------|---------------------------------------|---------------|-------------------------------------|--------|-------------------------------------|---------------|
| | Year Ended 4/30/13 | | Year Ended 4/30/12 | | Year Ended 4/30/13 | |
| | Shares | Amount | Shares | Amount | Shares | Amount |
| VRDP Shares issued: | | | | | | |
| Series 1 | | \$ | | \$ | | \$ |
| Series 2 | | | | | 50 | 5,000,000 |
| VRDP Shares exchanged: | | | | | | |
| Series 1 | (1,125) | (112,500,000) | | | (1,000) | (100,000,000) |
| Series 2 | 1,125 | 112,500,000 | | | 1,000 | 100,000,000 |
| Total | | \$ | | \$ | 50 | \$ 5,000,000 |

5. Investment Transactions

Purchases and sales (including maturities but excluding short-term investments, where applicable) during the fiscal year ended April 30, 2013, were as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|----------------------|---------------------------------------|-------------------------------------|---------------------------------------|---|------------------------------------|
| Purchases | \$ 66,028,124 | \$ 40,283,122 | \$ 24,710,478 | \$ 27,782,856 | \$ 1,945,351 |
| Sales and maturities | 68,346,448 | 41,209,739 | 25,163,151 | 29,049,465 | 2,998,086 |
| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
| Purchases | \$ 65,674,324 | \$ 56,730,946 | \$ 10,211,564 | \$ 21,169,935 | \$ 1,382,917 |
| Sales and maturities | 71,418,610 | 58,847,880 | 11,486,475 | 21,903,360 | 1,721,393 |

6. Income Tax Information

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the net asset values of the Funds.

As of April 30, 2013, the cost and unrealized appreciation (depreciation) of investments, as determined on a federal income tax basis, were as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|---|-------------------------------------|---------------------------------|-------------------------------------|---------------------------------------|----------------------------------|
| Cost of investments | \$ 425,266,060 | \$ 256,453,976 | \$ 135,424,994 | \$ 95,900,218 | \$ 21,306,305 |
| Gross unrealized: | | | | | |
| Appreciation | \$ 35,029,894 | \$ 23,767,569 | \$ 13,937,425 | \$ 7,526,181 | \$ 3,926,618 |
| Depreciation | (1,123,735) | (607,761) | (366,299) | (304,270) | (9,547) |
| Net unrealized appreciation (depreciation) of investments | \$ 33,906,159 | \$ 23,159,808 | \$ 13,571,126 | \$ 7,221,911 | \$ 3,917,071 |

Notes to
Financial Statements (continued)

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|---|--|--|--|--|---|
| Cost of investments | \$ 336,254,553 | \$ 312,369,177 | \$ 68,782,772 | \$ 75,406,297 | \$ 17,139,259 |
| Gross unrealized: | | | | | |
| Appreciation | \$ 32,153,858 | \$ 29,723,060 | \$ 5,970,078 | \$ 6,011,040 | \$ 2,635,536 |
| Depreciation | (770,870) | (1,608,908) | (394,744) | (778,781) | (501) |
| Net unrealized appreciation (depreciation) of investments | \$ 31,382,988 | \$ 28,114,152 | \$ 5,575,334 | \$ 5,232,259 | \$ 2,635,035 |

Permanent differences, primarily due to federal taxes paid, taxable market discount and nondeductible offering costs, resulted in reclassifications among the Funds components of Common share net assets as of April 30, 2013, the Funds tax year end, as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|--|--|--|--|--|---|
| Paid-in-surplus | \$ (287,183) | \$ (279,771) | \$ (309,231) | \$ (170,076) | \$ (201) |
| Undistributed (Over-distribution of) net investment income | 282,523 | 276,089 | 302,771 | 150,080 | (1) |
| Accumulated net realized gain (loss) | 4,660 | 3,682 | 6,460 | 19,996 | 202 |

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|--|--|--|--|---|---|
| Paid-in-surplus | \$ (407,434) | \$ (404,708) | \$ (111,996) | \$ (134,930) | \$ 1,838 |
| Undistributed (Over-distribution of) net investment income | 407,360 | 404,291 | 131,960 | 137,598 | (2,194) |
| Accumulated net realized gain (loss) | 74 | 417 | (19,964) | (2,668) | 356 |

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains as of April 30, 2013, the Funds tax year end, were as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|--|--|--|--|---|---|
| Undistributed net tax-exempt income ¹ | \$ 4,220,287 | \$ 2,805,773 | \$ 726,130 | \$ 592,957 | \$ 45,769 |
| Undistributed net ordinary income ² | | | | | 15,923 |
| Undistributed net long-term capital gains | | | | | 303,326 |

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 | Pennsylvania Municipal Value |
|--|--|--|--|--|------------------------------------|
| | | | | | |

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| | | | | (NVY) | (NPN) |
|--|--------------|--------------|------------|------------|-----------|
| Undistributed net tax-exempt income ¹ | \$ 2,806,377 | \$ 3,184,839 | \$ 325,615 | \$ 321,680 | \$ 24,346 |
| Undistributed net ordinary income ² | 56,602 | 8,800 | 26,558 | 23,511 | 6,493 |
| Undistributed net long-term capital gains | | | 18,899 | 49,693 | 43,240 |

1 Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on April 1, 2013, paid on May 1, 2013.

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

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The tax character of distributions paid during the Funds' tax years ended April 30, 2013 and April 30, 2012, was designated for purposes of the dividends paid deduction as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|---|--|--|--|--|---|
| 2013 | | | | | |
| Distributions from net tax-exempt income ³ | \$ 17,424,455 | \$ 10,662,777 | \$ 6,030,169 | \$ 4,289,294 | \$ 1,031,516 |
| Distributions from net ordinary income ² | 11,201 | 55 | 1,584 | 2,689 | 25,009 |
| Distributions from net long-term capital gains ⁴ | | | | | 395,298 |

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|---|--|--|--|--|---|
| 2013 | | | | | |
| Distributions from net tax-exempt income ³ | \$ 15,057,384 | \$ 13,380,053 | \$ 3,109,697 | \$ 3,762,240 | \$ 775,508 |
| Distributions from net ordinary income ² | | | | | |
| Distributions from net long-term capital gains ⁴ | | | 129,890 | 125,213 | 367,635 |

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | New Jersey Municipal Value (NJV) |
|---|--|--|--|--|---|
| 2012 | | | | | |
| Distributions from net tax-exempt income | \$ 17,588,708 | \$ 10,501,726 | \$ 6,539,873 | \$ 4,582,076 | \$ 1,189,401 |
| Distributions from net ordinary income ² | | 22 | 23 | 15 | |
| Distributions from net long-term capital gains | | 126,108 | 35,371 | 39,345 | |

| | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) | Pennsylvania Dividend Advantage (NXM) | Pennsylvania Dividend Advantage 2 (NVY) | Pennsylvania Municipal Value (NPN) |
|---|--|--|--|--|---|
| 2012 | | | | | |
| Distributions from net tax-exempt income | \$ 15,192,389 | \$ 13,403,976 | \$ 3,367,151 | \$ 3,858,983 | \$ 873,988 |
| Distributions from net ordinary income ² | | | | | 6,384 |
| Distributions from net long-term capital gains | | | 214,268 | 230,647 | 27,923 |

² Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

³ The Funds hereby designate these amounts paid during the fiscal year ended April 30, 2013, as Exempt Interest Dividends.

⁴ The Funds designated as a long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended April 30, 2013.

As of April 30, 2013, the Funds' tax year end, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as shown in the following table. The losses not subject to expiration retain the character reflected and will be utilized first by a Fund, while the losses subject to expiration are considered short-term:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|-----------------------------------|--|--|--|--|--|--|
| Expiration: | | | | | | |
| April 30, 2017 | \$ | \$ | \$ | \$ | \$ 13,518 | \$ 2,167,149 |
| Not subject to expiration: | | | | | | |
| Short-term losses: | | 1,268 | | | | |
| Long-term losses: | 1,316,047 | 554,853 | 725,722 | 270,569 | | |

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| | | | | | | |
|-------|--------------|------------|------------|------------|-----------|--------------|
| Total | \$ 1,316,047 | \$ 556,121 | \$ 725,722 | \$ 270,569 | \$ 13,518 | \$ 2,167,149 |
|-------|--------------|------------|------------|------------|-----------|--------------|

Nuveen Investments 139

Notes to
Financial Statements (continued)

During the Funds tax year ended April 30, 2013, the following Funds utilized capital loss carryforwards as follows:

| | New Jersey Investment Quality (NQJ) | New Jersey Premium Income (NNJ) | New Jersey Dividend Advantage (NXJ) | New Jersey Dividend Advantage 2 (NUJ) | Pennsylvania Investment Quality (NQP) | Pennsylvania Premium Income 2 (NPY) |
|-------------------------------------|--|--|--|--|--|--|
| Utilized capital loss carryforwards | \$ 1,047,754 | \$ 589,739 | \$ 238,640 | \$ 397,214 | \$ 426,636 | \$ 248,369 |

The Funds have elected to defer late-year losses in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the following fiscal year. The following Funds have elected to defer losses as follows:

| | New Jersey Investment Quality (NQJ) | Pennsylvania Premium Income 2 (NPY) |
|--|--|--|
| Post-October capital losses ¹ | \$ 14,702 | \$ 34,987 |
| Late-year ordinary losses ² | | |

¹ Capital losses incurred from November 1, 2012 through April 30, 2013, the Funds tax year end.

² Ordinary losses incurred from January 1, 2013 through April 30, 2013, and specified losses incurred from November 1, 2012 through April 30, 2013.

7. Management Fees and Other Transactions with Affiliates

Each Fund's management fee consists of two components a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

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

| | |
|--------------------------------------|--|
| | New Jersey Investment Quality (NQJ) |
| | New Jersey Premium Income (NNJ) |
| | Pennsylvania Investment Quality (NQP) |
| | Pennsylvania Premium Income 2 (NPY) |
| Average Daily Managed Assets* | Fund-Level Fee Rate |
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For the next \$3 billion | .3875 |
| For managed assets over \$5 billion | .3750 |
| Average Daily Managed Assets* | New Jersey Dividend Advantage (NXJ) |

**New Jersey Dividend Advantage 2
(NUJ)**

**Pennsylvania Dividend Advantage
(NXM)**

Pennsylvania Dividend Advantage 2 (NVY)

| | Fund-Level Fee Rate |
|-------------------------------------|----------------------------|
| For the first \$125 million | .4500% |
| For the next \$125 million | .4375 |
| For the next \$250 million | .4250 |
| For the next \$500 million | .4125 |
| For the next \$1 billion | .4000 |
| For managed assets over \$2 billion | .3750 |

New Jersey Municipal Value (NJV)

**Pennsylvania Municipal Value
(NPN)**

| Average Daily Managed Assets* | Fund-Level Fee Rate |
|--------------------------------------|----------------------------|
| For the first \$125 million | .4000% |
| For the next \$125 million | .3875 |
| For the next \$250 million | .3750 |
| For the next \$500 million | .3625 |
| For the next \$1 billion | .3500 |
| For managed assets over \$2 billion | .3375 |

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

| Complex-Level Managed Asset Breakpoint Level* | Effective Rate at Breakpoint Level |
|---|------------------------------------|
| \$55 billion | .2000% |
| \$56 billion | .1996 |
| \$57 billion | .1989 |
| \$60 billion | .1961 |
| \$63 billion | .1931 |
| \$66 billion | .1900 |
| \$71 billion | .1851 |
| \$76 billion | .1806 |
| \$80 billion | .1773 |
| \$91 billion | .1691 |
| \$125 billion | .1599 |
| \$200 billion | .1505 |
| \$250 billion | .1469 |
| \$300 billion | .1445 |

*For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial 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. As of April 30, 2013, the complex-level fee rate for each of these Funds was .1661%.

The management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Adviser is responsible for each Fund's overall strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Nuveen Asset Management, LLC, (the Sub-Adviser), a wholly-owned subsidiary of the Adviser, under which the Sub-Adviser manages the investment portfolios of the Funds. The Sub-Adviser is compensated for its services to the Funds from the management fees paid to the Adviser.

The Funds pay no compensation directly to those of its directors/trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board of Directors/Trustees has adopted a deferred compensation plan for independent directors/trustees that enables directors/trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

8. New Accounting Pronouncements

Financial Accounting Standards Board (FASB) Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities

In January 2013, Accounting Standards Update (ASU) 2013-01, *Clarifying the Scope of Disclosures about Offsetting Assets and Liabilities*, replaced ASU 2011-11, *Disclosures about Offsetting Assets and Liabilities*. ASU 2013-01 is effective for fiscal years beginning on or after January 1, 2013. ASU 2011-11 was intended to enhance disclosure requirements on the offsetting of financial assets and liabilities. ASU 2013-01 limits the scope of the new balance sheet offsetting disclosures to derivatives, repurchase agreements and securities lending transactions to the extent that they are (1) offset in the financial statements or (2) subject to an enforceable master netting arrangement or similar agreement. Management is currently evaluating the application of ASU 2013-01 and its impact to the financial statements and footnote disclosures, if any.

Board Members & Officers (Unaudited)

The annual meeting of shareholders was held in the offices of Nuveen Investments on November 14, 2012; at this meeting the shareholders were asked to vote on the election of Board Members, to approve the elimination of the fundamental policies relating to the Fund's ability to make loans and to approve the new fundamental policy relating to the Fund's ability to make loans. The meeting was subsequently adjourned to December 14, 2012. The meeting for NUJ was subsequently adjourned to January 24, 2013, February 22, 2013 and March 14, 2013.

| Name, Birthdate & Address | Position(s) Held with the Funds | Year First Elected or Appointed and Term⁽¹⁾ | Principal Occupation(s) including other Directorships During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member |
|--|--|---|--|--|
|--|--|---|--|--|

Independent Board Members:

| | | | | |
|---|--|---------------------------|---|------------|
| n ROBERT P. BREMNER 8/22/40 333 W. Wacker Drive Chicago, IL 60606 | Chairman of the Board and Board Member | 1996 Class III | Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington, D.C.; Board Member, Independent Directors Council affiliated with the Investment Company Institute. | 210 |
| n JACK B. EVANS 10/22/48 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 1999 Class III | President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Chairman, United Fire Group, a publicly held company; formerly, President of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm; Bachelor of Arts degree from Coe College and an MBA from the University of Iowa. | 210 |
| n WILLIAM C. HUNTER 3/6/48 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2004 Class I | Dean Emeritus (since June 30, 2012), formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and President (since July 2012) Beta Gamma Sigma, Inc., The International Honor Society; Director of Wellmark, Inc. (since 2009); 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); formerly, Director (1997-2007), Credit Research Center at Georgetown University. | 210 |
| n DAVID J. KUNDERT 10/28/42 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2005 Class II | Formerly, Director, Northwestern Mutual Wealth Management Company; (2007-2013) 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, Banc 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, Friends of Boerner Botanical Gardens; member of Board of Directors and Chair of Investment Committee, | 210 |

Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible.

n **WILLIAM J. SCHNEIDER**

9/24/44

333 W. Wacker Drive
Chicago, IL 60606

Board Member

1996
Class III

Chairman of Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; Member of two Miller Valentine real estate LLC companies; member, University of Dayton Business School Advisory Council; member, Mid-America Health System Board; Board Member of Tech Town, Inc., a not-for-profit community development company; Board Member of WDPR Public Radio; formerly, member and chair, Dayton Philharmonic Orchestra Association; formerly, member, Business Advisory Council, Cleveland Federal Reserve Bank.

210

| Name, Birthdate & Address | Position(s) Held with the Funds | Year First Elected or Appointed and Term ⁽¹⁾ | Principal Occupation(s) Including other Directorships During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Board Member |
|---------------------------------|------------------------------------|--|---|---|
|---------------------------------|------------------------------------|--|---|---|

Independent Board Members:

| | | | | |
|--|--------------|------------------------------------|---|------------|
| n JUDITH M. STOCKDALE 12/29/47 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 1997 Class I | Formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994). | 210 |
| n CAROLE E. STONE 6/28/47 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2007 Class I | Director, Chicago Board Options Exchange (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010); formerly, Chair, New York Racing Association Oversight Board (2005-2007). | 210 |
| n VIRGINIA L. STRINGER 8/16/44 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2011 Class I | Board Member, Mutual Fund Directors Forum; former governance consultant and non-profit board member; former Owner and President, Strategic Management Resources, Inc. a management consulting firm; former Member, Governing Board, Investment Company Institute's Independent Directors Council; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010). | 210 |
| n TERENCE J. TOTH 9/29/59 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2008 Class II | 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 Chairman, and Mather Foundation Board (since 2012), and a member 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). | 210 |

Interested Board Member:

| | | | | |
|--|--------------|--------------------------------|--|------------|
| n JOHN P. AMBOIAN ⁽²⁾ 6/14/61 333 W. Wacker Drive Chicago, IL 60606 | Board Member | 2008 Class II | Chief Executive Officer and Chairman (since 2007) and Director (since 1999) of Nuveen Investments, Inc., formerly, President (1999-2007); Chief Executive Officer (since 2007) of Nuveen Investments Advisers, Inc.; Director (since 1998) formerly, Chief Executive Officer (2007-2010) of Nuveen Fund Advisors, LLC. | 210 |
|--|--------------|--------------------------------|--|------------|

Board Members & Officers (Unaudited) (continued)

| Name, Birthdate and Address | Position(s) Held with the Funds | Year First Elected or Appointed ⁽³⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Officer |
|---|--|--|---|--|
| Officers of the Funds: | | | | |
| n GIFFORD R. ZIMMERMAN 9/9/56 333 W. Wacker Drive Chicago, IL 60606 | Chief Administrative Officer | 1988 | Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director, Associate General Counsel and Assistant Secretary, of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), 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. | 210 |
| n WILLIAM ADAMS IV 6/9/55 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2007 | Senior Executive Vice President, Global Structured Products (since 2010), formerly, Executive Vice President (1999-2010) 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. | 103 |
| n CEDRIC H. ANTOSIEWICZ 1/11/62 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2007 | Managing Director of Nuveen Securities, LLC. | 103 |
| n MARGO L. COOK 4/11/64 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2009 | Executive Vice President (since 2008) of Nuveen Investments, Inc. and of Nuveen Fund Advisors, LLC (since 2011); Managing Director-Investment Services of Nuveen Commodities Asset Management, LLC (since August 2011), previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Head of Institutional Asset Management (1986-2007) of Bank of NY Mellon; Chartered Financial Analyst. | 210 |
| n LORNA C. FERGUSON 10/24/45 333 W. Wacker Drive | Vice President | 1998 | Managing Director (since 2005) of Nuveen Fund Advisors, LLC and Nuveen Securities, LLC (since 2004). | 210 |

Chicago, IL 60606

| | | | | | |
|---|--|----------------------------------|-------------|---|------------|
| n | STEPHEN D. FOY 5/31/54 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Controller | 1998 | Senior Vice President (since 2010), formerly, Vice President (2005-2010) and Funds Controller of Nuveen Securities, LLC; Vice President of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Certified Public Accountant. | 210 |
|---|--|----------------------------------|-------------|---|------------|

| Name, Birthdate and Address | Position(s) Held with the Funds | Year First Elected or Appointed ⁽³⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Officer |
|-----------------------------------|------------------------------------|--|---|---|
|-----------------------------------|------------------------------------|--|---|---|

Officers of the Funds:

| | | | | |
|---|---|-------------|---|------------|
| n SCOTT S. GRACE 8/20/70 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Treasurer | 2009 | Managing Director, Corporate Finance & Development, Treasurer (since 2009) of Nuveen Securities, LLC; Managing Director and Treasurer (since 2009) of Nuveen Fund Advisors, LLC, Nuveen Investments Advisers, Inc., Nuveen Investments Holdings Inc. and (since 2011) Nuveen Asset Management, LLC; Vice President and Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC; Vice President of Santa Barbara Asset Management, LLC; formerly, Treasurer (2006-2009), Senior Vice President (2008-2009), previously, Vice President (2006-2008) of Janus Capital Group, Inc.; formerly, Senior Associate in Morgan Stanley's Global Financial Services Group (2000-2003); Chartered Accountant Designation. | 210 |
| n WALTER M. KELLY 2/24/70 333 W. Wacker Drive Chicago, IL 60606 | Chief Compliance Officer and Vice President | 2003 | Senior Vice President (since 2008) and Assistant Secretary (since 2003) of Nuveen Fund Advisors, LLC; Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.; formerly, Senior Vice President (2008-2011) of Nuveen Securities, LLC. | 210 |
| n TINA M. LAZAR 8/27/61 333 W. Wacker Drive Chicago, IL 60606 | Vice President | 2002 | Senior Vice President (since 2010), formerly, Vice President (2005-2010) of Nuveen Fund Advisors, LLC. | 210 |
| n KEVIN J. MCCARTHY 3/26/66 333 W. Wacker Drive Chicago, IL 60606 | Vice President and Secretary | 2007 | Managing Director and Assistant Secretary (since 2008), Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary (since 2007) 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; Managing Director (since 2008), and Assistant Secretary, Nuveen Investment Holdings, Inc.; Vice President (since 2007) and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, NWQ Holdings, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, and of Winslow Capital Management, LLC. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC; prior thereto, Partner, Bell, Boyd & Lloyd LLP (1997-2007). | 210 |

Board Members & Officers (Unaudited) (continued)

| Name, | Position(s) Held with the Funds | Year First Elected or Appointed ⁽³⁾ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Officer |
|-------|------------------------------------|--|---|---|
|-------|------------------------------------|--|---|---|

Officers of the Funds:

| | | | | |
|--------------------------------|---|------|--|-----|
| n KATHLEEN L. PRUDHOMME | Vice President and Assistant Secretary | 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; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010). | 210 |
| 3/30/53 | | | | |
| 901 Marquette Avenue | | | | |
| Minneapolis, MN 55402 | | | | |

- (1) For New Jersey Dividend Advantage (NXJ), New Jersey Dividend Advantage 2 (NUJ), New Jersey Municipal Value (NJV), Pennsylvania Investment Quality (NQP), Pennsylvania Premium Income 2 (NPY), Pennsylvania Dividend Advantage (NXM), Pennsylvania Dividend Advantage 2 (NVY) and Pennsylvania Municipal Value (NPN), The Board of Trustees are divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two Board Members are elected by the holders of Preferred Shares to serve until the next annual shareholders meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. For New Jersey Investment Quality (NQJ) and New Jersey Premium Income (NNJ), the Board Members serve a one year term to serve until the next annual meeting or until their successors shall have been duly elected and qualified. The first year elected or appointed represents the year in which the Board Member was first elected or appointed to any fund in the Nuveen Complex.
- (2) Mr. Amboian is an interested trustee because of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.
- (3) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

Reinvest Automatically, Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

Nuveen Closed-End Funds Automatic Reinvestment Plan

Your Nuveen Closed-End Fund allows you to conveniently reinvest distributions in additional Fund shares.

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

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

Easy and convenient

To make recordkeeping easy and convenient, each month you will receive a statement showing your total distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

How shares are purchased

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net asset value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day immediately prior to the purchase date. Distributions received to purchase shares in the open market will

Reinvest Automatically Easily and Conveniently (continued)

normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

Flexible

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change.

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

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

Call today to start reinvesting distributions

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

Glossary of Terms

Used in this Report

- n **Auction Rate Bond:** An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have failed, with current holders receiving a formula-based interest rate until the next scheduled auction.

- n **Average Annual Total Return:** This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

- n **Duration:** Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond Fund's value to changes when market interest rates change. Generally, the longer a bond's or Fund's duration, the more the price of the bond or Fund will change as interest rates change.

- n **Effective Leverage:** Effective leverage is a Fund's effective economic leverage, and includes both regulatory leverage (See 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 are included in effective leverage values, in addition to any regulatory leverage.

- n **Gross Domestic Product (GDP):** The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

- n **Inverse Floating Rate Securities:** Inverse floating rate securities, also known as inverse floaters or tender option bonds (TOBs), are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust created by a broker-dealer. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an inverse floater) to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short-term rate paid to the floating rate certificates' holders, and in most circumstances the

Glossary of Terms**Used in this Report (continued)**

holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

- n **Leverage:** Using borrowed money to invest in securities or other assets, seeking to increase the return of an investment or portfolio.

- n **Lipper New Jersey Municipal Debt Funds Classification Average:** Calculated using the returns of all closed-end funds in this category. Lipper returns account for the effects of management fees and assume reinvestment of distributions, but do not reflect any applicable sales charges.

- n **Lipper Pennsylvania Municipal Debt Funds Classification Average:** Calculated using the returns of all closed-end funds in this category. Lipper returns account for the effects of management fees and assume reinvestment of distributions, but do not reflect any applicable sales charges.

- n **Net Asset Value (NAV):** The net market value of all securities held in a portfolio.

- n **Net Asset Value (NAV) Per Share:** The market value of one share of a mutual fund or closed-end fund. For a Fund, the NAV is calculated daily by taking the Fund's total assets (securities, cash, and accrued earnings), subtracting the Fund's liabilities, and dividing by the number of shares outstanding.

- n **Pre-Refunding:** Pre-Refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.

- n **Regulatory Leverage:** Regulatory Leverage consists of preferred shares issued by or borrowings of a Fund. Both of these are part of a Fund's capital structure. Regulatory leverage is sometimes referred to as 40 Act Leverage and is subject to asset coverage limits set in the Investment Company Act of 1940.

- n **S&P Municipal Bond Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

- n **S&P Municipal Bond New Jersey Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade New Jersey municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

- n **S&P Municipal Bond Pennsylvania Index:** An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Pennsylvania municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

- n **Total Investment Exposure:** Total investment exposure is a Fund's assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes a Fund's use of preferred stock and borrowings and 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.

- n **Zero Coupon Bond:** A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

Notes

152 Nuveen Investments

Notes

Nuveen Investments 153

Notes

154 Nuveen Investments

Additional Fund Information

Board of

Directors/Trustees

John P. Amboian

Robert P. Bremner

Jack B. Evans

William C. Hunter

David J. Kundert

William J. Schneider

Judith M. Stockdale

Carole E. Stone

Virginia L. Stringer

Terence J. Toth

Fund Manager

Nuveen Fund Advisors, LLC

333 West Wacker Drive

Chicago, IL 60606

Custodian

State Street Bank

& Trust Company

Boston, MA

Transfer Agent and

Shareholder Services

State Street Bank & Trust

Company

Nuveen Funds

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P.O. Box 43071

Providence, RI 02940-3071

(800) 257-8787

Legal Counsel

Chapman and Cutler LLP

Chicago, IL

Independent Registered

Public Accounting Firm

Ernst & Young LLP

Chicago, IL

Quarterly Form N-Q Portfolio of Investments Information

Each Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov> or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC toll-free at (800) SEC -0330 for room hours and operation.

Nuveen Funds Proxy Voting Information

You may obtain (i) information regarding how each Fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com and (ii) a description of the policies and procedures that each Fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at <http://www.sec.gov>.

CEO Certification Disclosure

Each Fund's Chief Executive Officer (CEO) has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual.

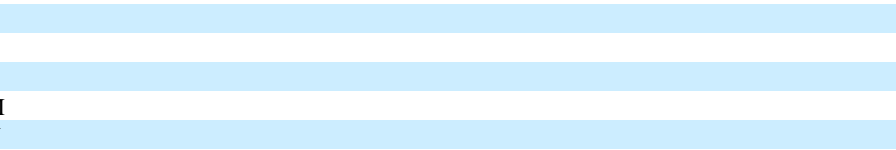
Each Fund has filed with the SEC the certification of its Chief Executive Officer and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common Share Information

Each Fund intends to repurchase shares of its own common in the future at such times and in such amounts as is deemed advisable. During the period covered by this report, the Funds repurchased shares of their common stock as shown in the accompanying table.

| Fund | Common Shares Repurchased |
|------|---------------------------|
| NQJ | |
| NNJ | |
| NXJ | |

NUJ
NJV
NQP
NPY
NXM
NVY
NPN



Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

Nuveen Investments:

Serving Investors for Generations

Distributed by

Nuveen Securities, LLC

333 West Wacker Drive

Chicago, IL 60606

www.nuveen.com

EAN-A-0413D

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed \$224 billion as of March 31, 2013.

Find out how we can help you.

To learn more about how the products and services of Nuveen Investments may be able to help you meet your financial goals, talk to your financial advisor, or call us at **(800) 257-8787**. Please read the information provided carefully before you invest. Investors should consider the investment objective and policies, risk considerations, charges and expenses of any investment carefully. Where applicable, be sure to obtain a prospectus, which contains this and other relevant information. To obtain a prospectus, please contact your securities representative or **Nuveen Investments, 333 W. Wacker Dr., Chicago, IL 60606**. Please read the prospectus carefully before you invest or send money.

Learn more about Nuveen Funds at: www.nuveen.com/cef

PART C

OTHER INFORMATION

Item 15. Indemnification

Section 4 of Article XII of the Registrant's Declaration of Trust provides as follows: Subject to the exceptions and limitations contained in this Section 4, every person who is, or has been, a Trustee, officer, employee or agent of the Trust, including persons who serve at the request of the Trust as directors, trustees, officers, employees or agents of another organization in which the Trust has an interest as a shareholder, creditor or otherwise (hereinafter referred to as a Covered Person), shall be indemnified by the Trust to the fullest extent permitted by law against liability and against all expenses reasonably incurred or paid by him in connection with any claim, action, suit or proceeding in which he becomes involved as a party or otherwise by virtue of his being or having been such a Trustee, director, officer, employee or agent and against amounts paid or incurred by him in settlement thereof. No indemnification shall be provided hereunder to a Covered Person: (a) against any liability to the Trust or its Shareholders by reason of a final adjudication by the court or other body before which the proceeding was brought that he engaged in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office; (b) with respect to any matter as to which he shall have been finally adjudicated not to have acted in good faith in the reasonable belief that his action was in the best interests of the Trust; or (c) in the event of a settlement or other disposition not involving a final adjudication (as provided in paragraph (a) or (b)) and resulting in a payment by a Covered Person, unless there has been either a determination that such Covered Person did not engage in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office by the court or other body approving the settlement or other disposition or a reasonable determination, based on a review of readily available facts (as opposed to a full trial-type inquiry), that he did not engage in such conduct: (i) by a vote of a majority of the Disinterested Trustees acting on the matter (provided that a majority of the Disinterested Trustees then in office act on the matter); or (ii) by written opinion of independent legal counsel. The rights of indemnification herein provided may be insured against by policies maintained by the Trust, shall be severable, shall not affect any other rights to which any Covered Person may now or hereafter be entitled, shall continue as to a person who has ceased to be such a Covered Person and shall inure to the benefit of the heirs, executors and administrators of such a person. Nothing contained herein shall affect any rights to indemnification to which Trust personnel other than Covered Persons may be entitled by contract or otherwise under law. Expenses of preparation and presentation of a defense to any claim, action, suit or proceeding subject to a claim for indemnification under this Section 4 shall be advanced by the Trust prior to final disposition thereof upon receipt of an undertaking by or on behalf of the recipient to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Section 4, provided that either: (a) such undertaking is secured by a surety bond or some other appropriate security or the Trust shall be insured against losses arising out of any such advances; or (b) a majority of the Disinterested Trustees acting on the matter (provided that a majority of the Disinterested Trustees then in office act on the matter) or independent legal counsel in a written opinion shall determine, based upon a review of the readily available facts (as opposed to a full trial-type inquiry), that there is reason to believe that the recipient ultimately will be found entitled to indemnification. As used in this Section 4, a Disinterested Trustee is one (x) who is not an Interested Person of the Trust (including anyone who has been exempted from being an Interested Person by any rule, regulation or order of the Commission), and (y) against whom none of such actions, suits or other proceedings or another action, suit or other proceeding on the same or similar grounds is then or has been pending. As used in this Section 4, the words claim, action, suit or proceeding shall apply to all claims, actions, suits, proceedings (civil, criminal, administrative or other, including

appeals), actual or threatened; and the words liability and expenses shall include without limitation, attorneys fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities.

The trustees and officers of the Registrant are covered by the Mutual Fund Professional Liability policy in the aggregate amount of \$70,000,000 against liability and expenses of claims of wrongful acts arising out of their position with the Registrant and other Nuveen funds, except for matters that involve willful acts, bad faith, gross negligence and willful disregard of duty (i.e., where the insured did not act in good faith for a purpose he or she reasonably believed to be in the best interest of the Registrant or where he or she had reasonable cause to believe this conduct was unlawful). The policy has a \$2,000,000 deductible for operational failures (after the deductible is satisfied, the insurer would cover 90% of any operational failure claims and the Fund would be liable for 10% of any such claims) and \$1,000,000 deductible for all other claims.

Insofar as indemnification for liability arising under the Securities Act of 1933, as amended (the Securities Act), may be permitted to trustees, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a trustee, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such trustee, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

Item 16. Exhibits.

- (1)(a) Amended and Restated Declaration of Trust of Registrant dated May 29, 1991. (1)
- (1)(b) Certificate of Amendment to Declaration of Trust of Registrant dated October 22, 1992. (1)
- (1)(c) Certificate of Amendment to Declaration of Trust of Registrant dated August 6, 2010 is filed herewith.
- (2) By-Laws of Registrant, Amended and Restated as of November 18, 2009 are filed herewith.
- (3) Not applicable.
- (4) Form of Agreement and Plan of Reorganization is filed herewith as Appendix A to Part A of this Registration Statement.
- (5) Not applicable.
- (6)(a) Investment Management Agreement dated November 13, 2007 is filed herewith.
- (6)(b) Renewal of Investment Management Agreement dated July 31, 2008 is filed herewith.
- (6)(c) Renewal of Investment Management Agreement dated May 28, 2009 is filed herewith.

- (6)(d) Renewal of Investment Management Agreement dated May 26, 2010 is filed herewith.
 - (6)(e) Renewal of Investment Management Agreement dated May 25, 2011 is filed herewith.
 - (6)(f) Renewal of Investment Management Agreement dated May 23, 2012 is filed herewith.
 - (6)(g) Investment Sub-Advisory Agreement dated December 31, 2010 is filed herewith.
 - (6)(h) Notice of Continuance of Investment Sub-Advisory Agreement dated August 1, 2012 is filed herewith.
 - (8) Deferred Compensation Plan for Independent Directors and Trustees, as Amended and Restated Effective January 1, 2013 is filed herewith.
 - (9)(a) Amended and Restated Master Custodian Agreement between the Nuveen Investment Companies and State Street Bank and Trust Company dated February 25, 2005 is filed herewith.
 - (9)(b) Appendix A to Custodian Agreement updated as of May 9, 2013 is filed herewith.
 - (10) Not applicable.
 - (11) Opinion and Consent of Counsel. (2)
 - (12)(a) Form of Opinion and Consent of Vedder Price P.C. supporting the tax matters and consequences to shareholders discussed in the Joint Proxy Statement/Prospectus. (2)
 - (12)(b) Form of Opinion and Consent of K&L Gates LLP supporting the tax matters discussed in the Joint Proxy Statement/Prospectus. (2)
 - (12)(c) Form of Opinion and Consent of Sidley Austin LLP supporting the tax matters discussed in the Joint Proxy Statement/Prospectus. (2)
 - (13)(a) Transfer Agency and Service Agreement dated October 7, 2002 is filed herewith.
 - (13)(b) Amendment and Schedule A to Transfer Agency and Service Agreement dated June 10, 2013 is filed herewith.
 - (14) Consent of Independent Auditor is filed herewith.
 - (15) Not applicable.
 - (16) Powers of Attorney are filed herewith.
 - (17) Form of Proxy. (2)
- (1) Filed on June 17, 1999 with Registrant's Registration Statement on Form N-2 (File No. 333-80871) and incorporated by reference herein.
(2) To be filed by amendment.

Item 17. Undertakings.

(1) The undersigned Registrant agrees that prior to any public reoffering of the securities registered through the use of a prospectus which is a part of this registration statement by any person or party who is deemed to be an underwriter within the meaning of Rule 145(c) of the 1933 Act, the reoffering prospectus will contain the information called for by the applicable registration form for reofferings by persons who may be deemed underwriters, in addition to the information called for by the other items of the applicable form.

(2) The undersigned Registrant agrees that every prospectus that is filed under paragraph (1) above will be filed as a part of an amendment to the registration statement and will not be used until the amendment is effective, and that, in determining any liability under the 1933 Act, each post-effective amendment shall be deemed to be a new registration statement for the securities offered therein, and the offering of the securities at that time shall be deemed to be the initial bona fide offering of them.

SIGNATURES

As required by the Securities Act of 1933, this registration statement has been signed on behalf of the registrant, in the City of Chicago and the State of Illinois, on the 17th day of July, 2013.

NUVEEN PENNSYLVANIA INVESTMENT
 QUALITY MUNICIPAL FUND

By: /s/ Kevin J. McCarthy
 Kevin J. McCarthy
 Vice President and Secretary

As required by the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

| Signature | Capacity | Date |
|--------------------------|---|-----------------------------------|
| /s/ Stephen D. Foy | Vice President and Controller (principal financial and accounting officer) | July 17, 2013 |
| Stephen D. Foy | | |
| /s/ Gifford R. Zimmerman | Chief Administrative Officer (principal executive officer) | July 17, 2013 |
| Gifford R. Zimmerman | | |
| William J. Schneider* | Chairman of the Board and Trustee |) |
| John P. Amboian* | Trustee |) |
| Robert P. Bremner* | Trustee |) |
| Jack B. Evans* | Trustee |) |
| William C. Hunter* | Trustee |) |
| David J. Kundert* | Trustee |) |
| Judith M. Stockdale* | Trustee |) |
| Carole E. Stone* | Trustee |) |
| Virginia L. Stringer* | Trustee |) |
| Terence J. Toth* | Trustee |) |
| | |) By: /s/ Mark L. Winget |
| | |) Mark L. Winget Attorney-in-Fact |
| | |) July 17, 2013 |

* An original power of attorney authorizing, among others, Mark L. Winget, Kevin J. McCarthy and Gifford R. Zimmerman, to execute this registration statement, and amendments thereto, for each of the trustees of the Registrant on whose behalf this registration statement is filed, has been executed and is filed herewith as Exhibit 16.

EXHIBIT INDEX

| Exhibit No. | Name of Exhibit |
|--------------------|--|
| 1(c) | Certificate of Amendment to Declaration of Trust dated August 6, 2010 |
| 2 | By-Laws of Registrant, Amended and Restated as of November 18, 2009 |
| 6(a) | Investment Management Agreement dated November 13, 2007 |
| 6(b) | Renewal of Investment Management Agreement dated July 31, 2008 |
| 6(c) | Renewal of Investment Management Agreement dated May 28, 2009 |
| 6(d) | Renewal of Investment Management Agreement dated May 26, 2010 |
| 6(e) | Renewal of Investment Management Agreement dated May 25, 2011 |
| 6(f) | Renewal of Investment Management Agreement dated May 23, 2012 |
| 6(g) | Investment Sub-Advisory Agreement dated December 31, 2010 |
| 6(h) | Notice of Continuance of Investment Sub-Advisory Agreement dated August 1, 2012 |
| 8 | Deferred Compensation Plan, as Amended and Restated Effective January 1, 2013. |
| 9(a) | Amended and Restated Master Custodian Agreement dated February 25, 2005. |
| 9(b) | Appendix A to Custodian Agreement updated as of May 9, 2013. |
| 13(a) | Transfer Agency and Service Agreement dated October 7, 2002. |
| 13(b) | Amendment and Schedule A to Transfer Agency and Service Agreement dated June 10, 2013. |
| 14 | Consent of Independent Auditor |
| 16 | Powers of Attorney |