

NUVEEN SENIOR INCOME FUND

Form DEF 14A

August 27, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Nuveen Senior Income Fund (NSL)

(Name of Registrant as Specified In Its Charter)

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

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**Important Notice
to Fund Shareholders**

August 27, 2007

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

Q. Why am I receiving this Proxy Statement?

A. You are being asked to vote on two or more important matters affecting your Fund:

- (1) Approval of a New Investment Management Agreement. Nuveen Asset Management (NAM) serves as your Fund's investment adviser. Nuveen Investments, Inc. (Nuveen), the parent company of NAM, recently announced its intention to be acquired by investors led by Madison Dearborn Partners, LLC, and to thereby become a privately-held company. In the event this takes place, securities laws require your Fund's shareholders to approve a new investment management agreement between NAM and the Fund;
- (2) Approval of a New Investment Sub-Advisory Agreement. For certain Funds, NAM has retained one or more sub-advisers to manage all or a portion of such funds' assets. In the event the transaction described in (1) above takes place, securities laws require shareholders of those funds to approve a new sub-advisory agreement between NAM and each sub-adviser;
- (3) Approval of an Additional Sub-Advisory Agreement for each Fund sub-advised by Gateway. For those Funds where Gateway Investment Advisers, L.P. (Gateway) serves as a sub-adviser, securities laws require shareholders of those funds to approve an additional new sub-advisory agreement between NAM and Gateway in the event Gateway's anticipated acquisition by Natixis Global Asset Management, L.P. takes place as described in the enclosed proxy statement.
- (4) Approval of Fund Board Nominees. Each year, you and other Fund shareholders must approve the election of Board members to serve on your Fund's Board. This is a requirement for all funds that list their common shares on a stock exchange. Certain of the Funds described in this proxy statement are holding their annual shareholders meeting at which Board members will be elected. The list of specific nominees for those Funds is contained in the enclosed proxy statement; and
- (5) Ratification of Independent Registered Public Accounting Firm. This year, you and other Fund shareholders are being asked to ratify the selection of the independent registered public accounting firm. Ernst and Young LLP or PricewaterhouseCoopers LLP, as applicable, has been selected to serve as your Fund's independent registered public accounting firm.

Your Fund's Board, including the independent Board members, unanimously recommends that you vote **FOR** each proposal.

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 do not 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.

Q. How will I as a Fund shareholder be affected if Nuveen becomes a privately-held company?

A. Your Fund investment will not change as a result of NAM's change of ownership. You will still own the same Fund shares and the underlying value of those shares will not change as a result of the transaction. NAM will continue to manage your Fund according to the same objectives and policies as before, and does not anticipate any significant changes to its operations.

Q. Will there be any important differences between my Fund's new investment management agreement and sub-advisory agreement, as applicable, and the current agreements?

A. No. The terms of the new and current agreements are substantially identical. There will be no change in the fees you pay, who manages your Fund, your Fund's objectives and policies, or your Fund's day-to-day management.

Q. What will happen if shareholders do not approve the new investment management agreement or sub-advisory agreement?

A. NAM and your Fund's sub-adviser(s), as applicable, will continue to manage your Fund under an interim investment management agreement and an interim sub-advisory agreement, but must place their compensation for their services during this interim period in escrow, pending shareholder approval. For the Funds where Gateway serves as a sub-adviser, if shareholders do not approve the additional new sub-advisory agreement with Gateway, your Fund's Board will take such actions as it deems to be in the best interests of your Fund. This is discussed in more detail in the proxy statement. **Your Fund's Board urges you to vote without delay in order to avoid potential disruption to the Fund's operations.**

Q. Who do I call if I have questions?

A. If you need any assistance, or have any questions regarding the proposals or how to vote your shares, please call Computershare Fund Services, your Fund proxy solicitor, at 866-434-7510 with your proxy material.

Q. How do I vote my shares?

A. You can vote your shares by completing and signing the enclosed proxy card, and mailing it in the enclosed postage-paid envelope. Alternatively, you may vote by telephone by calling the toll-free number on the proxy card or by computer by going to the Internet address provided on the proxy card and following 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 the Funds, 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.

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

**Notice of Annual Meeting
of Shareholders**

August 27, 2007

**Nuveen Floating Rate Income Fund (JFR)
Nuveen Floating Rate Income Opportunity Fund (JRO)
Nuveen Tax-Advantaged Floating Rate Fund (JFP)
Nuveen Senior Income Fund (NSL)**

**Notice of Special Meeting
of Shareholders**

**Nuveen Real Estate Income Fund (JRS)
Nuveen Diversified Dividend and Income Fund (JDD)
Nuveen Equity Premium and Growth Fund (JPG)
Nuveen Equity Premium Advantage Fund (JLA)
Nuveen Equity Premium Income Fund (JPZ)
Nuveen Equity Premium Opportunity Fund (JSN)
Nuveen Quality Preferred Income Fund (JTP)
Nuveen Quality Preferred Income Fund 2 (JPS)
Nuveen Quality Preferred Income Fund 3 (JHP)
Nuveen Tax-Advantaged Total Return Strategy Fund (JTA)
Nuveen Global Government Enhanced Income Fund (JGG)
Nuveen Global Value Opportunities Fund (JGV)
Nuveen Multi-Strategy Income and Growth Fund (JPC)
Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)
Nuveen Core Equity Alpha Fund (JCE)
Nuveen Multi-Currency Short-Term Government Income Fund (JGT)
Nuveen Tax-Advantaged Dividend Growth Fund (JTD)**

To the Shareholders of the Above Funds:

Notice is hereby given that an Annual Meeting of Shareholders (the Annual Meeting) of Nuveen Floating Rate Income Fund (Floating Rate), Nuveen Floating Rate Income Opportunity Fund (Floating Rate Income Opportunity), Nuveen Tax-Advantaged Floating Rate Fund (Tax-Advantaged Floating Rate) and Nuveen Senior Income Fund (Senior Income) and notice is hereby given that a Special Meeting of Shareholders (the Special Meeting, collectively with the Annual Meeting, the Meeting) of Nuveen Real Estate Income Fund (Real Estate), Nuveen Diversified Dividend and Income Fund (Diversified Dividend), Nuveen Equity Premium and Growth Fund (Equity Premium), Nuveen Equity Premium Advantage Fund (Equity Premium Advantage), Nuveen Equity Premium Income Fund (Equity Premium Income), Nuveen Equity Premium Opportunity Fund (Equity Premium Opportunity), Nuveen Quality Preferred Income Fund (Quality Preferred), Nuveen Quality Preferred Income Fund 2 (Quality Preferred 2), Nuveen Quality Preferred Income Fund 3 (Quality Preferred 3), Nuveen Tax-Advantaged Total Return Strategy Fund (Total Return), Nuveen Global Government Enhanced Income Fund (Global Government), Nuveen Global Value Opportunities Fund (Global Value), Nuveen Multi-Strategy Income and Growth Fund (Multi-Strategy Income),

Fund (Core Equity Alpha), Nuveen Multi-Currency Short-Term Government Income Fund (Multi-Currency Short-Term) and Nuveen Tax-Advantaged Dividend Growth Fund (Tax-Advantaged Dividend Growth), each a Massachusetts business trust (individually, a Fund and collectively, the Funds), will be held (along with meetings of shareholders of several other Nuveen funds) in the 31st floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, October 12, 2007, at 10:00 a.m., Central time, for the following purposes and to transact such other business, if any, as may properly come before the Meeting:

Matters to Be Voted on by Shareholders:

1. To approve a new investment management agreement between each Fund and Nuveen Asset Management (NAM), each Fund s investment adviser.
 2. To approve a new sub-advisory agreement between NAM and each sub-adviser as outlined below:
 - a. (For shareholders of Equity Premium, Equity Premium Advantage, Equity Premium Income and Equity Premium Opportunity only) to approve a new sub-advisory agreement between NAM and Gateway Investment Advisers, L.P.;
 - b. (For shareholders of Core Equity Alpha only) to approve a new sub-advisory agreement between NAM and Enhanced Investment Technologies, LLC;
 - c. (For shareholders of Diversified Dividend, Total Return and Tax-Advantaged Dividend Growth only) to approve a new sub-advisory agreement between NAM and NWQ Investment Management Company, LLC;
 - d. (For shareholders of Tax-Advantaged Dividend Growth only) to approve a new sub-advisory agreement between NAM and Santa Barbara Asset Management, LLC;
 - e. (For shareholders of Real Estate and Diversified Dividend only) to approve a new sub-advisory agreement between NAM and Security Capital Research & Management Incorporated;
 - f. (For shareholders of Tax-Advantaged Floating Rate, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Multi-Strategy Income and Multi-Strategy Income 2 only) to approve a new sub-advisory agreement between NAM and Spectrum Asset Management, Inc.;
 - g. (For shareholders of Floating Rate, Floating Rate Income Opportunity, Senior Income, Diversified Dividend, Total Return, Multi-Strategy Income and Multi-Strategy Income 2
-

- only) to approve a new sub-advisory agreement between NAM and Symphony Asset Management LLC;
- h. (For shareholders of Global Value, Multi-Strategy Income and Multi-Strategy Income 2 only) to approve a new sub-advisory agreement between NAM and Tradewinds Global Investors, LLC; and
 - i. (For shareholders of Diversified Dividend only) to approve a new sub-advisory agreement between NAM and Wellington Management Company, LLP.
3. For shareholders of Equity Premium, Equity Premium Advantage, Equity Premium Income and Equity Premium Opportunity only, to approve a new sub-advisory agreement between NAM and Gateway Investment Advisers, LLC.
4. To elect four (4) members to the Board of Trustees (each a Board and each Trustee a Board Member) of Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income as outlined below:
- a. two (2) Board Members to be elected for a three-year term by the holders of Common Shares and Taxable Auctioned Preferred Shares for Senior Income and Fund Preferred Shares for Floating Rate, Floating Rate Income Opportunity and Tax-Advantaged Floating Rate (collectively, Preferred Shares), voting together as a single class; and
 - b. two (2) Board Members to be elected for a one-year term by the holders of Preferred Shares only, voting separately as a single class.
5. To ratify the selection of independent registered public accounting firm for the current fiscal year as outlined below:
- a. For all Funds, except Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Core Equity Alpha, Global Government, Global Value, and Multi-Currency Short-Term, to ratify the selection of Ernst & Young LLP as independent registered public accounting firm for the current fiscal year; and
 - b. For Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Core Equity Alpha, Global Government, Global Value and Multi-Currency Short-Term, to ratify the selection of PricewaterhouseCoopers LLP as independent registered public accounting firm for the current fiscal year.
6. To transact such other business as may properly come before the Meeting.

Shareholders of record at the close of business on August 1, 2007 are entitled to notice of and to vote at the Meeting.

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

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

August 27, 2007

This Joint Proxy Statement is first being mailed to shareholders on or about August 27, 2007.

Nuveen Floating Rate Income Fund (JFR)
Nuveen Floating Rate Income Opportunity Fund (JRO)
Nuveen Tax-Advantaged Floating Rate Fund (JFP)
Nuveen Senior Income Fund (NSL)
Nuveen Real Estate Income Fund (JRS)
Nuveen Diversified Dividend and Income Fund (JDD)
Nuveen Equity Premium and Growth Fund (JPG)
Nuveen Equity Premium Advantage Fund (JLA)
Nuveen Equity Premium Income Fund (JPZ)
Nuveen Equity Premium Opportunity Fund (JSN)
Nuveen Quality Preferred Income Fund (JTP)
Nuveen Quality Preferred Income Fund 2 (JPS)
Nuveen Quality Preferred Income Fund 3 (JHP)
Nuveen Tax-Advantaged Total Return Strategy Fund (JTA)
Nuveen Global Government Enhanced Income Fund (JGG)
Nuveen Global Value Opportunities Fund (JGV)
Nuveen Multi-Strategy Income and Growth Fund (JPC)
Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)
Nuveen Core Equity Alpha Fund (JCE)
Nuveen Multi-Currency Short-Term Government Income Fund (JGT)
Nuveen Tax-Advantaged Dividend Growth Fund (JTD)

General Information

This Joint Proxy Statement is furnished in connection with the solicitation by the Board of Trustees (each a **Board** and collectively, the **Boards**, and each Trustee a **Board Member** and collectively, the **Board Members**) of Nuveen Floating Rate Income Fund (**Floating Rate**), Nuveen Floating Rate Income Opportunity Fund (**Floating Rate Income Opportunity**), Nuveen Tax-Advantaged Floating Rate Fund (**Tax-Advantaged Floating Rate**), Nuveen Senior Income Fund (**Senior Income**), Nuveen Real Estate Income Fund (**Real Estate**), Nuveen Diversified Dividend and Income Fund (**Diversified Dividend**), Nuveen Equity Premium and Growth Fund (**Equity Premium**), Nuveen Equity Premium Advantage Fund (**Equity Premium Advantage**), Nuveen Equity Premium Income Fund (**Equity Premium Income**), Nuveen Equity Premium Opportunity Fund (**Equity Premium Opportunity**), Nuveen Quality Preferred Income Fund (**Quality Preferred**), Nuveen Quality Preferred Income Fund 2 (**Quality Preferred 2**), Nuveen Quality Preferred Income Fund 3 (**Quality Preferred 3**), Nuveen Tax-Advantaged Total Return Strategy Fund (**Total Return**), Nuveen Global Government Enhanced Income Fund (**Global Government**), Nuveen Global Value Opportunities Fund (**Global Value**), Nuveen Multi-Strategy Income and Growth Fund (**Multi-Strategy Income**), Nuveen Multi-Strategy Income and Growth Fund 2 (**Multi-Strategy Income 2**), Nuveen Core Equity Alpha Fund (**Core Equity Alpha**), Nuveen Multi-Currency Short-Term Government Income Fund (**Multi-Currency Short-Term**) and Nuveen Tax-Advantaged

Dividend Growth Fund (Tax-Advantaged Dividend

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Growth), each a Massachusetts business trust (each a Fund and collectively, the Funds), of proxies to be voted at an Annual Meeting of Shareholders for Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income or a Special Meeting of Shareholders for all other Funds to be held (along with meetings of shareholders of several other Nuveen funds) in the 31st floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, October 12, 2007, at 10:00 a.m., Central time, (for each Fund, a Meeting and collectively, the Meetings), and at any and all adjournments thereof.

On the matters coming before each Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If a properly executed proxy is returned and no choice is specified, the shares will be voted **FOR** approval of the new investment management agreement, **FOR** approval of the new sub-advisory agreement, **FOR** the election of the nominees as listed in this Joint Proxy Statement and **FOR** the ratification of the selection of the independent registered public accounting firm. Shareholders 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 Meeting and voting in person. Merely attending the Meeting, however, will not revoke any previously submitted proxy.

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

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

Matter	Common Shares	Preferred Shares ^{(1),(2)}
1. To approve a new investment management agreement between Nuveen Asset Management (NAM or the Adviser) and the Fund	X	X
2. To approve a new sub-advisory agreement between NAM and each sub-adviser below:		
2a. For shareholders of Equity Premium ⁽²⁾ , Equity Premium Advantage ⁽²⁾ , Equity Premium Income ⁽²⁾ and Equity Premium Opportunity ⁽²⁾ only to approve a new sub-advisory agreement between NAM and Gateway Investment Advisers, L.P. (Gateway);	X	
2b. For shareholders of Core Equity Alpha ⁽²⁾ only to approve a new sub-advisory agreement between NAM and Enhanced Investment Technologies, LLC (INTECH);	X	
2c. For shareholders of Diversified Dividend, Total Return and Tax-Advantaged Dividend Growth ⁽²⁾ only to approve a new sub-advisory agreement between NAM and NWQ Investment Management Company, LLC (NWQ);	X	X
2d. For shareholders of Tax-Advantaged Dividend Growth ⁽²⁾ only to approve a new sub-advisory agreement between NAM and Santa Barbara Asset Management, LLC (SBAM);	X	
2e. For shareholders of Real Estate and Diversified Dividend only to approve a new sub-advisory agreement between NAM and Security Capital Research & Management Incorporated (Security Capital);	X	X
2f. For shareholders of Tax-Advantaged Floating Rate, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Multi-Strategy Income and Multi-Strategy Income 2 only to approve a new sub-advisory agreement between NAM and Spectrum Asset Management, Inc. (Spectrum);	X	X

2g.	For shareholders of Floating Rate, Floating Rate Income Opportunity, Senior Income, Diversified Dividend, Total Return, Multi-Strategy Income and Multi-Strategy Income 2 only to approve a new sub-advisory agreement between NAM and Symphony Asset Management LLC (Symphony);	X	X
2h.	For shareholders of Global Value ⁽²⁾ , Multi-Strategy Income and Multi-Strategy Income 2 only to approve a new sub-advisory agreement between NAM and Tradewinds Global Investors, LLC (Tradewinds); and	X	X

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Matter	Common Shares	Preferred Shares ^{(1),(2)}
2i. For shareholders of Diversified Dividend only to approve a new sub-advisory agreement between NAM and Wellington Management Company, LLP (Wellington)	X	X
3. For shareholders of Equity Premium ⁽²⁾ , Equity Premium Advantage ⁽²⁾ , Equity Premium Income ⁽²⁾ and Equity Premium Opportunity ⁽²⁾ only, to approve a new sub-advisory agreement between NAM and Gateway Investment Advisers, LLC (New Gateway)	X	
4a. For Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income, election of two (2) Board Members for a three-year term by all shareholders	X	X
4b. For Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income, election of two (2) Board Members for a one-year term by Preferred Shares only		X
5. To ratify the selection of independent registered public accounting firm	X	X

(1) Taxable Auctioned Preferred Shares for Senior Income and FundPreferred shares for Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate, Real Estate, Diversified Dividend, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Total Return, Multi-Strategy Income and Multi-Strategy Income 2 are referred to as Preferred Shares.

(2) Equity Premium, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity, Global Government, Global Value, Core Equity Alpha, Multi-Currency Short-Term and Tax-Advantaged Dividend Growth have not issued Preferred Shares.

A quorum of shareholders is required to take action at each Meeting. A majority of the shares entitled to vote at each Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Meeting, except that for the election of the 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 Meeting will be tabulated by the inspectors of election appointed for that Meeting. The inspectors of election will determine whether or not a quorum is present at the 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.

For purposes of determining the approval of any new investment management agreement, sub-advisory agreement and ratification of the selection of the independent registered public accounting firm, abstentions and broker non-votes will have the same effect as shares voted against the proposal. For purposes of determining the approval of the proposal to elect nominees, abstentions and broker non-votes will have no effect on the election of Board

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Members. The details of the proposals to be voted on by the shareholders of each Fund and the vote required for approval of the proposals are set forth under the description of the proposals below.

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

Those persons who were shareholders of record at the close of business on August 1, 2007 (the Record Date), will be entitled to one vote for each share held and a proportionate fractional vote for each fractional share held. As of the Record Date, the shares of the Funds were issued and outstanding as follows:

Fund	Ticker Symbol*	Common Shares	Preferred Shares	
Floating Rate	JFR	47,395,206	Series M	4,000
			Series T	4,000
			Series W	4,000
			Series F	4,000
Floating Rate Income Opportunity	JRO	28,419,321	Series M	3,200
			Series TH	3,200
			Series F	3,200
Tax-Advantaged Floating Rate	JFP	13,857,647	Series TH	3,120
Senior Income	NSL	29,834,352	Series TH	3,120
Real Estate	JRS	28,259,132	Series M	1,720
			Series T	1,720
			Series W	1,720
			Series F	1,720
Diversified Dividend	JDD	16,536,342	Series T	2,400
			Series W	2,400

Equity Premium	JPG	20,202,819	N/A
Equity Premium Advantage	JLA	26,114,540	N/A
Equity Premium Income	JPZ	38,682,086	N/A
Equity Premium Opportunity	JSN	66,537,837	N/A

Fund	Ticker Symbol*	Common Shares	Preferred Shares	
Quality Preferred	JTP	64,557,648	Series M	3,520
			Series T	3,520
			Series W	3,520
			Series TH	3,520
			Series F	3,520
Quality Preferred 2	JPS	119,845,698	Series M	4,800
			Series T	4,800
			Series T2	4,000
			Series W	4,800
			Series TH	4,800
			Series TH2	4,000
			Series F	4,800
Quality Preferred 3	JHP	23,686,571	Series M	3,320
			Series TH	3,320
Total Return	JTA	13,958,267	Series W	1,800
Global Government	JGG	9,330,610	N/A	
Global Value	JGV	19,355,240	N/A	
Multi-Strategy Income	JPC	99,714,627	Series M	4,720
			Series T	4,720
			Series W	4,720
			Series TH	4,720
			Series F	4,720
			Series F2	4,720
Multi-Strategy Income 2	JQC	140,495,800	Series M	3,860
			Series M2	3,860
			Series T	3,860
			Series T2	3,860
			Series W	3,860
			Series W2	3,860
			Series TH	3,860

Series TH2	3,860
Series F	3,860
Series F2	3,860

Core Equity Alpha	JCE	16,471,485	N/A
Multi-Currency Short-Term	JGT	44,467,792	N/A
Tax-Advantaged Dividend Growth	JTD	14,225,240	N/A

* The common shares of all of the Funds are listed on the New York Stock Exchange, except the common shares of JRS, which are listed on the American Stock Exchange.

1. Approval of the New Investment Management Agreements

Background

Under an investment management agreement between the Adviser and each Fund (each, an Original Investment Management Agreement and collectively, the Original Investment

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Management Agreements), NAM has served as each Fund's investment adviser and has been responsible for each Fund's overall investment strategy and its implementation. The date of each Fund's Original Investment Management Agreement and the date on which it was last approved by shareholders and approved for continuance by the Board are provided in Appendix B. NAM is a wholly-owned subsidiary of Nuveen Investments, Inc. (Nuveen). Nuveen is currently a publicly traded company.

On June 19, 2007, Nuveen entered into a merger agreement (the Transaction Agreement) providing for the acquisition of Nuveen by Windy City Investments, Inc. (Windy City), a corporation formed by investors led by Madison Dearborn Partners, LLC (MDP), a private equity investment firm based in Chicago, Illinois (the Transaction). Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds. Other owners of Windy City include Merrill Lynch & Co.'s Global Private Equity group and affiliates (including private equity funds) of Wachovia, Citigroup and Deutsche Bank. If the Transaction is completed, Nuveen will become a wholly-owned subsidiary of Windy City and Nuveen will become a privately-held company. Completion of the Transaction is subject to a number of conditions, including obtaining approval of Nuveen's stockholders and obtaining consent to the Transaction by a certain percentage of NAM's clients representing at least 80% of annualized revenue (which includes fund shareholder approval of new investment management agreements with NAM). Nuveen and Windy City currently expect to complete the Transaction in the fourth quarter of 2007.

Upon completion of the Transaction, it is anticipated that Merrill Lynch will be an indirect affiliated person (as that term is defined in the Investment Company Act of 1940, as amended (the 1940 Act)) of each Fund. As a result, each Fund would then generally be prohibited from entering into principal transactions with Merrill Lynch and certain of its affiliates. NAM does not believe that any such prohibition or limitation would have a materially adverse effect on any Fund's ability to pursue its investment objective and policies.

Nuveen is relying on Section 15(f) of the 1940 Act. Section 15(f) provides in substance that when a sale of a controlling interest in an investment adviser occurs, the investment adviser or any of its affiliated persons may receive any amount or benefit in connection with the sale so long as two conditions are satisfied. The first condition of Section 15(f) is that, during the three-year period following the consummation of a transaction, at least 75% of the investment company's board of directors must not be interested persons (as defined in the 1940 Act) of the investment adviser or predecessor adviser. Each of the Funds currently meets this test. Second, an unfair burden (as defined in the 1940 Act, including any interpretations or no-action letters of the Securities and Exchange Commission (the SEC)) must not be imposed on the investment company as a result of the transaction relating to the sale of such interest, or any express or implied terms, conditions or understandings applicable thereto. The term unfair burden (as defined in the 1940 Act) includes any arrangement, during the two-year period after the transaction, whereby the investment adviser (or predecessor or successor adviser), or any interested person (as defined in the 1940 Act) of such an adviser, receives or is entitled to receive any compensation directly or indirectly, from the investment company or its security holders (other than fees for bona fide investment advisory or other services) or from any person in connection with the purchase or sale of securities or other property to, from or on behalf of the investment company (other than bona fide ordinary compensation as principal underwriter for the investment company). Under the Transaction Agreement, Windy City acknowledges Nuveen's reliance on Section 15(f) of the 1940 Act and has agreed that it and its affiliates (as

defined in the Transaction Agreement) shall conduct its business and use commercially reasonable efforts to enable the provisions of Section 15(f) to be true in relation to the Funds.

In addition, to help ensure that an unfair burden is not imposed on the Funds, Nuveen has committed for a period of two years from the date of the closing of the Transaction (i) not to increase gross management fees for any Fund; (ii) not to reduce voluntary expense reimbursement levels for any Fund from their currently scheduled prospective levels during that period; (iii) that no Fund whose portfolio is managed by a Nuveen affiliate shall use Merrill Lynch as a broker with respect to portfolio transactions done on an agency basis, except as may be approved in the future by the Compliance Committee of the Board; and (iv) that each adviser/portfolio team affiliated with Nuveen shall not cause the Funds (or sleeves thereof) and other Nuveen funds that the team manages, as a whole, to enter into portfolio transactions with or through the other minority owners of Nuveen, on either a principal or an agency basis, to a significantly greater extent than both what one would expect an investment team to use such firm in the normal course of business, and what such team has historically done, without prior Board or Compliance Committee approval (excluding the impact of proportionally increasing the use of such other minority owners to fill the void necessitated by not being able to use Merrill Lynch).

Each Original Investment Management Agreement, as required by Section 15 of the 1940 Act, provides for its automatic termination in the event of its assignment (as defined in the 1940 Act). Any change in control of the Adviser is deemed to be an assignment. The consummation of the Transaction will result in a change in control of the Adviser and therefore cause the automatic termination of each Original Investment Management Agreement, as required by the 1940 Act.

In anticipation of the Transaction, each Fund's Board met in person at a joint meeting on July 31, 2007 for purposes of, among other things, considering whether it would be in the best interests of each Fund and its shareholders to approve a new investment management agreement between the Fund and NAM in substantially the same form as the Original Investment Management Agreement to take effect immediately after the Transaction or shareholder approval, whichever is later (each a New Investment Management Agreement and collectively, the New Investment Management Agreements). The form of the New Investment Management Agreement is attached hereto as Appendix C.

The 1940 Act requires that each New Investment Management Agreement be approved by the Fund's shareholders in order for it to become effective. At the July 31, 2007 Board meeting, and for the reasons discussed below (see Board Considerations after proposal 2), each Board, including the Board Members who are not parties to the Original Investment Management Agreements, New Investment Management Agreements or any sub-advisory agreement entered into by the Adviser with respect to any Fund or who are not interested persons of the Funds or the Adviser as defined in the 1940 Act (the Independent Board Members), unanimously approved the New Investment Management Agreement and unanimously recommended its approval by shareholders in order to assure continuity of investment advisory services to the Fund after the Transaction. In the event shareholders of a Fund do not approve the New Investment Management Agreement at the Meeting or any adjournment thereof prior to the closing of the Transaction, an interim investment management agreement between the Adviser and each such Fund (each, an Interim Investment Management Agreement and collectively, the Interim Investment Management Agreements) will take effect upon the closing of the Transaction.

At the July 31, 2007 meeting, each Board, including the Independent Board Members, also unanimously approved the Interim Investment Management Agreements in order to assure continuity of investment advisory services to the Funds after the Transaction. The terms of each Interim Investment Management Agreement are substantially identical to those of the Original Investment Management Agreements and New Investment Management Agreements, except for the term and escrow provisions described below. If a Fund's shareholders have not approved a New Investment Management Agreement prior to the Transaction, an Interim Investment Management Agreement will take effect upon the closing of the Transaction and will continue in effect for a term ending on the earlier of 150 days from the closing of the Transaction (the 150-day period) or when shareholders of a Fund approve the New Investment Management Agreement. Pursuant to Rule 15a-4 under the 1940 Act, compensation earned by the Adviser under an Interim Investment Management Agreement will be held in an interest-bearing escrow account. If shareholders of a Fund approve the New Investment Management Agreement prior to the end of the 150-day period, the amount held in the escrow account under the Interim Investment Management Agreement will be paid to the Adviser. If shareholders of a Fund do not approve the New Investment Management Agreement prior to the end of the 150-day period, the Board will take such action as it deems to be in the best interests of the Fund and its shareholders, and the Adviser will be paid the lesser of its costs incurred in performing its services under the Interim Investment Management Agreement or the total amount in the escrow account, plus interest earned.

Comparison of Original Investment Management Agreement and New Investment Management Agreement

The terms of each New Investment Management Agreement, including fees payable to the Adviser by the Fund thereunder, are substantially identical to those of the Original Investment Management Agreement, except for the date of effectiveness. There is no change in the fee rate payable by each Fund to the Adviser. If approved by shareholders of a Fund, the New Investment Management Agreement for the Fund will expire on August 1, 2008, unless continued. Each New Investment Management Agreement will continue in effect from year to year thereafter if such continuance is approved for the Fund at least annually in the manner required by the 1940 Act and the rules and regulations thereunder. Below is a comparison of certain terms of the Original Investment Management Agreement to the terms of the New Investment Management Agreement.

Investment Management Services. The investment management services to be provided by the Adviser to each Fund under the New Investment Management Agreements will be identical to those services currently provided by the Adviser to each Fund under the Original Investment Management Agreements. Both the Original Investment Management Agreements and New Investment Management Agreements provide that the Adviser shall manage the investment and reinvestment of the Fund's assets in accordance with the Fund's investment objective and policies and limitations and administer the Fund's affairs to the extent requested by and subject to the oversight of the Fund's Board. In addition, the investment management services will be provided by the same Adviser personnel under the New Investment Management Agreements as under the Original Investment Management Agreements. The Adviser does not anticipate that the Transaction will have any adverse effect on the performance of its obligations under the New Investment Management Agreements.

Fees. Under each Original Investment Management Agreement and New Investment Management Agreement, the Fund pays to the Adviser an investment management fee that consists of two components a fund-level fee, calculated by applying a Fund-specific breakpoint fee schedule that pays progressively reduced fee rates at increased Fund-specific asset levels to the average daily managed assets (which includes assets attributable to all types of leverage used in leveraged funds) of that individual Fund, and a complex-level fee, calculated by applying a fee rate based on the aggregate managed assets of all Nuveen-branded closed-end and open-end registered investment companies organized in the United States to a complex-wide fee schedule that would pay ever-reducing effective fee rates at increasing complex-wide assets, multiplied by that Fund's average daily managed assets. The investment management fee paid by each Fund equals the sum of the fund-level fee and complex-level fee calculated for that Fund.

The fee schedules for the fund-level fee and complex-level fee breakpoint schedules under the New Investment Management Agreements for each Fund are identical to the fund-level fee and complex-level fee breakpoint schedules under the Original Investment Management Agreements. The annual fund-level fee schedule for each Fund under the Original Investment Management Agreements and the New Investment Management Agreements, the fees paid by each Fund to the Adviser during each Fund's last fiscal year and the Fund's net assets as of June 30, 2007 are set forth in Appendix D to this Proxy Statement. The fee schedule for the complex-level component is the same for each Fund under both the Original Investment Management Agreements and New Investment Management Agreements and is also set forth in Appendix D. That complex-wide fee schedule was recently reduced with an effective date of August 20, 2007, as reflected in Appendix D.

Payment of Expenses. Under each Original Investment Management Agreement and each New Investment Management Agreement, the Adviser shall furnish office facilities and equipment and clerical, bookkeeping and administrative services (other than such services, if any, provided by the Fund's transfer agent) for the Fund.

Limitation on Liability. The Original Investment Management Agreements and New Investment Management Agreements provide that the Adviser will not be liable for any loss sustained by reason of the purchase, sale or retention of any security, whether or not such purchase, sale or retention shall have been based upon the investigation and research made by any other individual, firm or corporation, if such recommendation shall have been selected with due care and in good faith, except loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Adviser in the performance of its obligations and duties, or by reason of its reckless disregard of its obligations and duties under the Agreement.

Continuance. The Original Investment Management Agreement of each Fund originally was in effect for an initial term and could be continued thereafter for successive one-year periods if such continuance was specifically approved at least annually in the manner required by the 1940 Act. If the shareholders of a Fund approve the New Investment Management Agreement for that Fund, the New Investment Management Agreement will expire on August 1, 2008, unless continued. The New Investment Management Agreement may be continued for successive one-year periods if approved at least annually in the manner required by the 1940 Act.

Termination. The Original Investment Management Agreement and New Investment Management Agreement for each Fund provide that the Agreement may be terminated at any time

without the payment of any penalty by the Fund or Adviser on sixty (60) days written notice to the other party. A Fund may effect termination by action of the Board or by vote of a majority of the outstanding voting securities of the Fund, accompanied by appropriate notice.

Information about the Adviser

NAM, a registered investment adviser, is a wholly-owned subsidiary of Nuveen. Founded in 1898, Nuveen and its affiliates had approximately \$172 billion in assets under management as of June 30, 2007. Nuveen is currently a publicly traded company. Nuveen is currently listed on the New York Stock Exchange and trades under the symbol JNC.

The principal occupation of the officers and directors of NAM is shown in Appendix E. The business address of NAM, Nuveen and each principal executive officer and director of NAM is 333 West Wacker Drive, Chicago, Illinois 60606.

Timothy Schwertfeger, Chairman of the Board, is currently a Director and Non-Executive Chairman of Nuveen. Prior to July 1, 2007, he was Chairman and CEO of Nuveen. In addition to his interests as a stockholder of Nuveen, Mr. Schwertfeger has interests in the Transaction. As a result of the Transaction, Mr. Schwertfeger's outstanding options to acquire shares of Nuveen common stock under various Nuveen stock option plans will be cashed out and his outstanding shares of restricted stock (and deferred restricted stock) granted under Nuveen's equity incentive plans will become fully vested and will be converted into the right to receive a cash payment. Based on the number of options and shares of restricted stock held by Mr. Schwertfeger as of July 19, 2007, without regard to any deductions for withholding taxes, his options and restricted stock are valued at \$118,621,561.61 and \$29,405,661.18, respectively.

Mr. Schwertfeger has an employment agreement with Nuveen which provides for certain payments to Mr. Schwertfeger if his employment is terminated under the circumstances described in such agreement. The appointment of another individual to serve as Chief Executive Officer of Nuveen effective July 1, 2007 gives Mr. Schwertfeger a basis to terminate his employment agreement for good reason and the right to receive the payments described therein. Windy City and Mr. Schwertfeger have informed Nuveen that they have reached an agreement in principle under which, among other things, Mr. Schwertfeger would waive his rights upon a good reason termination and Windy City would permit Mr. Schwertfeger to purchase, on terms similar to MDP, equity of Windy City or the surviving corporation after the Transaction.

If Mr. Schwertfeger's employment were to be terminated immediately following the completion of the Transaction and assuming that the Transaction were to be completed on October 1, 2007, he would be entitled to severance payments totaling \$54,908,238.

If Mr. Schwertfeger were to retire on October 1, 2007, under Nuveen's Retirement Plan and Excess Benefit Retirement Plan, the present value of his early retirement benefits would be \$4,691,653.

Shareholder Approval

To become effective with respect to a particular Fund, the New Investment Management Agreement must be approved by a vote of a majority of the outstanding voting securities of the Fund, with the Common and Preferred shareholders voting together as a single class for those Funds that have issued Preferred Shares. The vote of a majority of the outstanding voting

securities is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the shares of the Fund entitled to vote thereon present at the meeting if the holders of more than 50% of such outstanding shares are present in person or represented by proxy; or (ii) more than 50% of such outstanding shares of the Fund entitled to vote thereon. Each New Investment Management Agreement was approved by the Board of the respective Fund after consideration of all factors which it determined to be relevant to its deliberations, including those discussed below. The Board of each Fund also determined to submit the Fund's New Investment Management Agreement for consideration by the shareholders of the Fund.

The Board of each Fund unanimously recommends that shareholders of the Fund vote FOR approval of the New Investment Management Agreement.

2. Approval of New Sub-Advisory Agreements

Background

NAM entered into investment sub-advisory agreements (each, an Original Sub-Advisory Agreement and collectively, the Original Sub-Advisory Agreements) with various sub-advisers (each a Sub-Adviser and collectively, the Sub-Advisers) for each of the Funds, other than Global Government and Multi-Currency Short-Term which are not sub-advised, as set forth below (the Sub-Advised Funds).

Fund	Sub-Adviser
Floating Rate	Symphony
Floating Rate Income Opportunity	Symphony
Tax-Advantaged Floating Rate	Spectrum
Senior Income	Symphony
Real Estate	Security Capital
Diversified Dividend	NWQ ⁽¹⁾ , Security Capital ⁽²⁾ , Symphony ⁽³⁾ and Wellington ⁽⁴⁾
Equity Premium	Gateway
Equity Premium Advantage	Gateway
Equity Premium Income	Gateway
Equity Premium Opportunity	Gateway
Quality Preferred	Spectrum
Quality Preferred 2	Spectrum
Quality Preferred 3	Spectrum
Total Return	NWQ ⁽¹⁾ and Symphony ⁽³⁾
Global Value	Tradewinds
Multi-Strategy Income	Spectrum ⁽⁵⁾ , Symphony ⁽⁶⁾ and Tradewinds ⁽⁷⁾
Multi-Strategy Income 2	Spectrum ⁽⁵⁾ , Symphony ⁽⁶⁾ and Tradewinds ⁽⁷⁾
Core Equity Alpha	INTECH ⁽⁸⁾
Tax-Advantaged Dividend Growth	NWQ ⁽¹⁾ and SBAM ⁽⁹⁾

(1) NWQ is the sub-adviser only with respect to the Fund's dividend paying securities.

(2) Security Capital is the sub-adviser only with respect to the Fund's REIT preferred and common stock and convertible securities investments.

(3) Symphony is the sub-adviser only with respect to the Fund's senior loans and other debt instruments.

(4) Wellington is the sub-adviser only with respect to the Fund's emerging markets and sovereign debt.

(5) Spectrum is the sub-adviser only with respect to the Fund's preferred securities.

(6)

Symphony is the sub-adviser only with respect to the Fund's senior loans, other debt instruments and equity securities.

(7) Tradewinds is the sub-adviser only with respect to the Fund's equity securities.

(8) INTECH is the sub-adviser only with respect to the Fund's equity securities.

(9) SBAM is the sub-adviser only with respect to the Fund's dividend growth equity securities.

The date of each Original Sub-Advisory Agreement and the date it was last approved by shareholders and approved for continuance by the Board is provided in Appendix F.

As with the Original Investment Management Agreements, each Original Sub-Advisory Agreement, as required by Section 15 of the 1940 Act, provides for its automatic termination in the event of its assignment. A change in control of the investment adviser or sub-adviser is deemed to be an assignment. The completion of the Transaction will result in a change in control of NAM and therefore will be deemed an assignment of each Original Sub-Advisory Agreement resulting in its automatic termination, as required by the 1940 Act. In addition, for NWQ, SBAM, Symphony and Tradewinds, which are wholly-owned by Nuveen, the completion of the Transaction will result in a change in control of NWQ, SBAM, Symphony and Tradewinds and therefore will be deemed an assignment of each Original Sub-Advisory Agreement resulting in its automatic termination, as required by the 1940 Act.

In anticipation of the Transaction, the Board of each Fund met in person on July 31, 2007 for purposes of considering whether it would be in the best interests of each Fund and its shareholders to approve a new sub-advisory agreement between NAM and the respective Sub-Adviser (each a New Sub-Advisory Agreement and collectively, the New Sub-Advisory Agreements). At the Board meeting, and for the reasons discussed below (see Board Considerations), the Board of each Fund, including the Independent Board Members, unanimously determined that the Fund's New Sub-Advisory Agreement or Agreements was or were in the best interests of the Fund and its shareholders and approved the New Sub-Advisory Agreement or Agreements, subject to the consummation of the Transaction and approval by shareholders. The form of the New Sub-Advisory Agreement is attached hereto as Appendix G.

The 1940 Act requires that each New Sub-Advisory Agreement be approved by that Fund's shareholders in order for it to become effective. The Board of each Fund unanimously recommends that shareholders approve the New Sub-Advisory Agreement. In the event shareholders of a Fund do not approve the New Sub-Advisory Agreement, at the Meeting or any adjournment thereof prior to the closing of the Transaction, an interim sub-advisory agreement between the Adviser and the applicable Sub-Adviser (each an Interim Sub-Advisory Agreement and collectively, the Interim Sub-Advisory Agreements) will take effect upon the closing of the Transaction.

At the July 31, 2007 meeting, each Board, including the Independent Board Members, also unanimously approved the Interim Sub-Advisory Agreements in order to assure continuity of advisory services to the Funds after the Transaction. The terms of each Interim Sub-Advisory Agreement are substantially identical to those of the Original Sub-Advisory Agreements and New Sub-Advisory Agreements, except for the term and escrow provisions described below. If a Fund's shareholders have not approved a New Sub-Advisory Agreement prior to the Transaction, an Interim Sub-Advisory Agreement will take effect upon the closing of the Transaction and will continue in effect for a term ending on the earlier of 150 days from the closing of the Transaction (the 150-day period) or when shareholders of a Fund approve the New Sub-Advisory Agreement. Pursuant to Rule 15a-4 under the 1940 Act, compensation earned by a Sub-Adviser under an Interim Sub-Advisory Agreement will be held in an interest-bearing escrow account. If shareholders of a Fund approve the New Sub-Advisory Agreement prior to the end of the 150-day period, the amount held in the escrow account under the Interim Sub-Advisory Agreement will be paid to the Sub-Adviser. If shareholders of a Fund do not approve the New Sub-Advisory Agreement prior to the end of the 150-day period, the Board will take such action as it deems to be in the best interests of the Fund and its shareholders, and the Sub-Adviser will be paid the lesser of its costs incurred in performing its services under the

Interim Sub-Advisory Agreement or the total amount in the escrow account, plus interest earned.

Comparison of Original Sub-Advisory Agreement and New Sub-Advisory Agreement

The terms of each New Sub-Advisory Agreement, including fees payable to the Sub-Adviser by NAM thereunder, are substantially identical to those of the Original Sub-Advisory Agreement, except for the date of effectiveness. There is no change in the fee rate payable by NAM to the Sub-Adviser. If approved by shareholders of a Fund, the New Sub-Advisory Agreement for the Fund will expire on August 1, 2008, unless continued. Each New Sub-Advisory Agreement will continue in effect from year to year thereafter if such continuance is approved for the Fund at least annually in the manner required by the 1940 Act and the rules and regulations thereunder. Below is a comparison of certain terms of the Original Sub-Advisory Agreements to the terms of the New Sub-Advisory Agreements.

Advisory Services. The advisory services to be provided by the Sub-Adviser to each Fund under the New Sub-Advisory Agreements will be identical to those advisory services currently provided by the Sub-Adviser to each Fund under the Original Sub-Advisory Agreements. Both the Original Sub-Advisory Agreements and New Sub-Advisory Agreements provide that the Sub-Adviser will furnish an investment program in respect of, make investment decisions for and place all orders for the purchase and sale of securities for the portion of the Fund's investment portfolio allocated by the Adviser to the Sub-Adviser, all on behalf of the Fund and subject to oversight of the Fund's Board and the Adviser. In performing its duties under both the Original Sub-Advisory Agreements and the New Sub-Advisory Agreements, the Sub-Adviser will monitor the Fund's investments and will comply with the provisions of the Fund's Declaration of Trust and By-Laws and the stated investment objectives, policies and restrictions of the Fund. It is not anticipated that the Transaction will have any adverse effect on the performance of a Sub-Adviser's obligations under the New Sub-Advisory Agreements.

Brokerage. Both the Original Sub-Advisory Agreements and New Sub-Advisory Agreements authorize the Sub-Adviser to select the brokers or dealers that will execute the purchases and sales of portfolio securities for the Funds, subject to its obligation to obtain best execution under the circumstances, which may take account of the overall quality of brokerage and research services provided to the Sub-Adviser.

Tax-Advantaged Floating Rate, Quality Preferred, Quality Preferred 2, Quality Preferred 3, Multi-Strategy Income and Multi-Strategy Income 2 paid affiliated brokerage commissions within the last fiscal year to Spectrum, which is also the Sub-Adviser to each such Fund. The affiliated brokerage commission paid by each of these Funds is shown in Appendix H.

Fees. Under both the Original Sub-Advisory Agreements and New Sub-Advisory Agreements, the Adviser pays the Sub-Adviser a portfolio management fee out of the investment management fee it receives from the Fund. The rate of the portfolio management fees payable by the Adviser to the Sub-Adviser under the New Sub-Advisory Agreements is identical to the rate of the fees paid under the Original Sub-Advisory Agreements. The annual rate of portfolio management fees payable to the Sub-Adviser under the Original Sub-Advisory Agreements and the New Sub-Advisory Agreements and the fees paid by the Adviser to the Sub-Adviser with respect to each Fund during each Fund's last fiscal year is set forth in Appendix I to this Proxy Statement. Appendix I also includes the advisory fee rates and net assets of funds not included

in this Proxy Statement advised by each Sub-Adviser with similar investment objectives as the Funds the Sub-Adviser sub-advises.

Payment of Expenses. Under each Original Sub-Advisory Agreement and New Sub-Advisory Agreement, the Sub-Adviser agrees to pay all expenses it incurs in connection with its activities under the Agreement other than the cost of securities (including brokerage commissions) purchased for the Fund.

Limitation on Liability. The Original Sub-Advisory Agreements and New Sub-Advisory Agreements provide that the Sub-Adviser will not be liable for, and the Adviser will not take any action against the Sub-Adviser to hold the Sub-Adviser liable for, any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the performance of the Sub-Adviser's duties under the Agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Sub-Adviser in the performance of duties under the Agreement, or by reason of its reckless disregard of its obligations and duties under the Agreement.

Continuance. Each Original Sub-Advisory Agreement of each Fund originally was in effect for an initial term and could be continued thereafter for successive one-year periods if such continuance was specifically approved at least annually in the manner required by the 1940 Act. If the shareholders of a Fund approve a New Sub-Advisory Agreement for that Fund, the New Sub-Advisory Agreement will expire on August 1, 2008, unless continued. Thereafter, the New Sub-Advisory Agreement may be continued for successive one-year periods if approved at least annually in the manner required by the 1940 Act.

Termination. The Original Sub-Advisory Agreement and New Sub-Advisory Agreement or Agreements for each Fund provide that the Agreement may be terminated at any time without the payment of any penalty by NAM or the Sub-Adviser on sixty (60) days' written notice to the other party. The Original Sub-Advisory Agreement and any New Sub-Advisory Agreement may also be terminated by a Fund by action of the Fund's Board or by a vote of a majority of the outstanding voting securities of that Fund, accompanied by 60 days' written notice.

The Original Sub-Advisory Agreement and New Sub-Advisory Agreement or Agreements for each Fund are also terminable with respect to that Fund at any time without the payment of any penalty, by the Adviser, the Board or by vote of a majority of the outstanding voting securities of that Fund in the event that it is established by a court of competent jurisdiction that the Sub-Adviser or any of its officers or directors has taken any action that results in a breach of the representations of the Sub-Adviser set forth in the Agreement.

Information About Sub-Advisers

Gateway. Gateway manages the investment portfolios of Equity Premium, Equity Premium Advantage, Equity Premium Income and Equity Premium Opportunity. Gateway is a registered investment adviser that specializes in the management of index-option-based strategies for managing risk in equity portfolios. Gateway is a Delaware limited partnership and its majority-owner and general partner is Gateway Investment Advisers, Inc. Although Gateway commenced operations in 1995, its predecessor firm was founded in 1977. As of June 30, 2007, Gateway managed over \$7.6 billion in assets. The principal occupation of the officers and directors of Gateway is shown in Appendix J. The business address of Gateway and each officer and director of Gateway is Rookwood Tower, 3805 Edwards Road, Suite 600, Cincinnati, Ohio 45209. Please also see proposal 3 below for additional information about Gateway.

INTECH. INTECH manages the equity portion of the investment portfolio of Core Equity Alpha. Founded in 1987, INTECH specializes exclusively in providing highly-disciplined, mathematical investment strategies designed to seek long term returns in excess of target benchmarks. Their proprietary approach to managing large cap stock portfolios reflects their belief that mathematical, risk controlled stock selection and ongoing portfolio management (focused on the analysis of stock price volatility) can systematically generate alpha for investors risk-adjusted excess return relative to specified benchmarks over time with lower levels of risk. INTECH, a registered investment adviser, is an independently managed subsidiary of Janus Capital Group Inc. Most of the firm's clients are institutional investors, primarily pension funds and endowments. INTECH serves as subadviser for three mutual funds that employ the same large cap core strategy used by Core Equity Alpha. As of June 30, 2007, INTECH managed over \$70 billion in assets. The principal occupation of the officers and directors of INTECH is shown in Appendix J. The business address of INTECH and each officer and director of INTECH is Harbour Financial Center, 2401 PGA Blvd., Suite 100, Palm Beach Gardens, Florida 33410.

NWQ. NWQ, an affiliate of NAM, manages the investment portfolios, or a sleeve thereof, of Diversified Dividend, Total Return and Tax-Advantaged Dividend Growth and certain other Nuveen funds. NWQ is organized as a member-managed limited liability company, and its sole managing member is Nuveen. NWQ has provided investment management services to institutions and high net worth individuals since 1982. As of June 30, 2007, NWQ managed \$38.6 billion in assets (with \$18.2 billion in the Institutional Division and \$20.4 billion in the Managed Accounts Division). The principal occupation of the officers and directors of NWQ is shown in Appendix J. The business address of NWQ and each officer and director of NWQ is 2049 Century Park East, 16th Floor, Los Angeles, California 90067.

SBAM. SBAM, an affiliate of NAM, manages the dividend growth equity strategy of Tax-Advantaged Dividend Growth and certain other Nuveen funds. SBAM is organized as a member-managed limited liability company, and its sole managing member is Nuveen. SBAM specializes in fundamental, bottom-up research to select growth companies. Santa Barbara also serves as subadviser to four open-end mutual funds. As of June 30, 2007, SBAM managed over \$5 billion in assets. The principal occupation of the officers and directors of SBAM is shown in Appendix J. The business address of SBAM and each officer and director of SBAM is 200 E. Carrillo Street, Santa Barbara, California 93101.

Security Capital. Security Capital manages the investment portfolio of Real Estate and the real estate sleeve of the investment portfolio of Diversified Dividend. Security Capital is an indirect wholly-owned subsidiary of JPMorgan Chase & Co. As of June 30, 2007, Security Capital managed over \$5.5 billion in assets. The principal occupation of the officers and directors of Security Capital is shown in Appendix J. The business address of Security Capital and each officer and director of Security Capital is 10 South Dearborn, Suite 1400, Chicago, Illinois 60603.

Spectrum. Spectrum manages the investment portfolios of Tax-Advantaged Floating Rate, Quality Preferred, Quality Preferred 2 and Quality Preferred 3, and the preferred securities sleeves of the investment portfolios of Multi-Strategy Income and Multi-Strategy Income 2. Spectrum specializes in the management of diversified preferred securities portfolios for institutional investors, including Fortune 500 companies, pension funds, insurance companies and foundations. Spectrum, a registered investment adviser, commenced operations in 1987. Spectrum is an independently managed wholly-owned subsidiary of Principal Global Investors, LLC, which is part of Principal Financial Group Inc., a publicly traded, diversified, insurance and

financial services company. As of June 30, 2007, Spectrum managed approximately \$13.2 billion in assets. The principal occupation of the officers and directors of Spectrum is shown in Appendix J. The business address of Spectrum and each officer and director of Spectrum is 2 High Ridge Park, Stamford, Connecticut 06905.

Symphony. Symphony, an affiliate of NAM, manages the investment portfolios of Floating Rate, Floating Rate Income Opportunity and Senior Income, and sleeves of the investment portfolios of Diversified Dividend, Total Return, Multi-Strategy Income and Multi-Strategy Income 2, and certain other Nuveen funds. Symphony specializes in the management of market neutral equity and debt strategies and senior loan and other debt portfolios. Symphony, a registered investment adviser, commenced operations in 1994. Symphony is an indirect wholly-owned subsidiary of Nuveen. As of June 30, 2007, Symphony managed over \$10 billion in assets. The principal occupation of the officers and directors of Symphony is shown in Appendix J. The business address of Symphony and each officer and director of Symphony is 555 California Street, San Francisco, California 94104.

Tradewinds. Tradewinds, an affiliate of NAM, manages the investment portfolio of Global Value, and sleeves of the investment portfolios of Multi-Strategy Income and Multi-Strategy Income 2, and certain other Nuveen funds. Tradewinds specializes in global and international equity investing. Most of Tradewinds' personnel were affiliated with NWQ until March 2006, when NWQ reorganized into two distinct entities: NWQ and Tradewinds. Tradewinds is organized as a member-managed limited liability company, with Nuveen as its sole managing member. As of June 30, 2007, Tradewinds managed approximately \$35.3 billion in assets. The principal occupation of the officers and directors of Tradewinds is shown in Appendix J. The business address of Tradewinds and each officer and director of Tradewinds is 2049 Century Park East, 20th Floor, Los Angeles, California 90067.

Wellington. Wellington manages the emerging market debt sleeve of the investment portfolio of Diversified Dividend. Wellington is a professional investment counseling firm which provides investment services to investment companies, employee benefit plans, endowments, foundations and other institutions. Wellington manages assets for clients using a broad range of equity and fixed-income approaches. Wellington, a registered investment adviser, and its predecessor organizations commenced operations in 1928. Wellington is a Massachusetts limited liability partnership owned by its 98 partners, all of whom are active in the business. As of June 30, 2007, Wellington managed approximately \$597 billion in assets. The principal occupation of the principal executive officers of Wellington is shown in Appendix J. The business address of Wellington and each principal executive officer of Wellington is 75 State Street, Boston, Massachusetts 02109.

Shareholder Approval

To become effective, each New Sub-Advisory Agreement must be approved by a vote of a majority of the outstanding voting securities of the Fund, with the Common and Preferred shareholders voting together as a single class for the Funds that have issued Preferred Shares. The vote of a majority of the outstanding voting securities is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the shares of the Fund entitled to vote thereon present at the meeting if the holders of more than 50% of such outstanding shares are present in person or represented by proxy; or (ii) more than 50% of such outstanding shares of the Fund entitled to vote thereon. Each New Sub-Advisory Agreement was approved by the Board after consideration of all factors which it determined to be relevant to its deliberations, including those

discussed below. The Board also determined to submit the New Sub-Advisory Agreement for consideration by the shareholders of the Fund.

The Board of each Fund unanimously recommends that shareholders of the Fund vote FOR approval of the Fund's New Sub-Advisory Agreement.

Board Considerations

I. Approval of the Original Investment Management Agreements and Original Sub-Advisory Agreements

The Board Members are responsible for overseeing the performance of the investment adviser to the Funds and determining whether to approve or continue the advisory arrangements. During the year, the Board of each Fund had performed a full annual review of or initially approved the Original Investment Management Agreements and, with respect to Funds with Sub-Advisers, the Original Sub-Advisory Agreements. The annual review of advisory and sub-advisory contracts was held at a Board Meeting on May 21, 2007 (the May Meeting). The Funds with Original Investment Management Agreements and/or Original Sub-Advisory Agreements subject to the annual review at the May Meeting (the Existing Funds) and the Funds with Original Investment Management Agreements and/or Original Sub-Advisory Agreements that were initially approved (the New Funds) at other dates during the year (each an Initial Approval Meeting) are set forth in Appendix B (for Original Investment Management Agreements) and Appendix F (for Original Sub-Advisory Agreements). NAM and each Sub-Adviser are referred to herein as a Fund Adviser. Because the information provided and considerations made at the annual and initial reviews continue to be relevant with respect to the evaluation of the New Investment Management Agreements and New Sub-Advisory Agreements, the Board considered the foregoing as part of their deliberations of the New Investment Management Agreements and New Sub-Advisory Agreements. Accordingly, as indicated, the discussions immediately below outline the materials and information presented to the Board in connection with the Board's prior annual or initial review and the analysis undertaken and the conclusions reached by Board Members when determining to approve or continue the Original Investment Management Agreements and Original Sub-Advisory Agreements.

During the course of the year, the Board received a wide variety of materials relating to the services provided by the Fund Advisers and the performance of the Funds (as applicable). At each of its quarterly meetings, the Board reviewed investment performance (as applicable) and various matters relating to the operations of the Funds, including the compliance program, shareholder services, valuation, custody, distribution and other information relating to the nature, extent and quality of services provided by the Fund Adviser. Between the regularly scheduled quarterly meetings, the Board Members received information on particular matters as the need arose. In addition, because the Advisers and Sub-Advisers to the New Funds (other than INTECH) already serve in such respective capacities for other Nuveen funds, the information provided regarding the Fund Advisers at the annual review at the May Meeting supplemented the information received at the initial approvals. INTECH, however, is a new Sub-Adviser to a New Fund in the complex (i.e., Core Equity Alpha). Accordingly, the discussion below for Fund Advisers at the annual review does not include INTECH. In addition, with respect to Multi-Strategy Income and Multi-Strategy Income 2, in connection with recent changes to the mandates of these Funds, the Board Members approved Tradewinds as a new additional Sub-Adviser to these Funds and an amended sub-advisory agreement with

Symphony in November, 2006. Such agreements were also subject to shareholder approval. Although Tradewinds did not begin to serve as a Sub-Adviser to these Funds by the time of the May Meeting, Tradewinds, as noted, serves as Sub-Adviser to other Nuveen funds. Accordingly, the information provided and considerations regarding Tradewinds at the annual review continue to be relevant to the evaluation of Tradewinds and supplement the information provided at the prior review. Finally, with respect to Global Government and Global Value, since such Funds are relatively new, the Funds are treated similarly to New Funds with respect to performance and expenses, unless indicated otherwise.

In preparation for their considerations at the May Meeting, the Independent Board Members received extensive materials, well in advance of the meeting, which outlined or are related to, among other things:

the nature, extent and quality of services provided by the Fund Adviser;

the organization and business operations of the Fund Adviser, including the responsibilities of various departments and key personnel;

each Existing Fund's past performance as well as the Existing Fund's performance compared to funds with similar investment objectives based on data and information provided by an independent third party and to recognized and/or customized benchmarks (as appropriate);

the profitability of the Fund Adviser and certain industry profitability analyses for unaffiliated advisers;

the expenses of the Fund Adviser in providing the various services;

the advisory fees and total expense ratios of each Existing Fund, including comparisons of such fees and expenses with those of comparable, unaffiliated funds based on information and data provided by an independent third party (the Peer Universe) as well as compared to a subset of funds within the Peer Universe (the Peer Group) of the respective Existing Fund (as applicable);

the advisory fees the Fund Adviser assesses to other types of investment products or clients;

the soft dollar practices of the Fund Adviser, if any; and

from independent legal counsel, a legal memorandum describing among other things, applicable laws, regulations and duties in reviewing and approving advisory contracts.

At the Initial Approval Meetings, the Board Members received in advance of such meeting or at prior meetings similar materials, including the nature, extent and quality of services expected to be provided; the organization and operations of any Fund Adviser (including the responsibilities of various departments and key personnel); the expertise and background of the Fund Adviser; the profitability of Nuveen (which includes its wholly-owned advisory subsidiaries); the proposed management fees, including comparisons with peers; the expected expenses of the New Fund, including comparisons of the expense ratios with peers; and the soft dollar practices of the Fund Adviser. However, unlike Existing Funds, the New Funds did not have actual past performance at the time of approval.

At the May Meeting, NAM made a presentation to, and responded to questions from, the Board. At the May Meeting and applicable Initial Approval Meeting, the Independent Board Members met privately with their legal counsel to review the Board's duties in reviewing advisory contracts and considering the approval or renewal of the advisory contracts (which

include the sub-advisory contracts). The Independent Board Members, in consultation with independent counsel, reviewed the factors set out in judicial decisions and SEC directives relating to the approval or renewal of advisory contracts. As outlined in more detail below, the Board Members considered all factors they believed relevant with respect to each Fund, including, but not limited to, the following: (a) the nature, extent and quality of the services to be provided by the Fund Adviser; (b) the investment performance of the Fund and the Fund Adviser (as applicable); (c) the costs of the services to be provided and profits to be realized by the Fund Adviser and its affiliates; (d) the extent to which economies of scale would be realized; and (e) whether fee levels reflect those economies of scale for the benefit of the Fund's investors. In addition, as noted, the Board Members met regularly throughout the year to oversee the Funds. In evaluating the advisory contracts, the Board Members also relied upon their knowledge of the respective Fund Adviser, its services and the Funds resulting from their meetings and other interactions throughout the year. It is with this background that the Board Members considered each advisory contract.

A. Nature, Extent and Quality of Services

In considering the approval or renewal of the Original Investment Management Agreements and Original Sub-Advisory Agreements, the Board Members considered the nature, extent and quality of the respective Fund Adviser's services. The Board Members reviewed materials outlining, among other things, the Fund Adviser's organization and business; the types of services that the Fund Adviser or its affiliates provide or are expected to provide to the Funds; the performance record of the Fund (as described in further detail below); and at the annual review, any initiatives Nuveen had taken for the applicable fund product line. As noted, at the annual review, the Board Members were already familiar with the organization, operations and personnel of each respective Fund Adviser due to the Board Members' experience in governing the respective Funds and working with such Fund Advisers on matters relating to the Funds. At the May Meeting, the Board Members also recognized NAM's investment in additional qualified personnel throughout the various groups in the organization and recommended to NAM that it continue to review staffing needs as necessary. The Board Members recognized NAM's investment of resources and efforts to continue to enhance and refine its investment processes. With respect to the taxable fixed income funds advised by NAM (e.g., Global Government and Multi-Currency Short-Term) the Board Members also considered the depth of experience of NAM personnel managing this type of Fund and their respective investment strategies.

With respect to Sub-Advisers, the Board Members also received and reviewed an evaluation of each Sub-Adviser (other than INTECH) from NAM at the annual review. Such evaluation outlined, among other things, the respective Sub-Adviser's organizational history, client base, product mix, investment team and any changes thereto, investment process and any changes to its investment strategy, and the Funds' investment objectives and performance (as applicable). At the May Meeting, the Board Members noted that NAM recommended the renewal of the applicable Original Sub-Advisory Agreements and considered the basis for such recommendations and any qualifications in connection therewith. In its review of the Sub-Advisers, the Board Members also considered, among other things, the experience of the investment personnel, the quality of the Sub-Adviser's investment processes in making portfolio management decisions and any additional refinements and improvements adopted to the portfolio management processes and Fund performance. During the last year, the Board Members noted that they visited several Sub-Advisers meeting their key investment and business personnel. In

this regard, the Board Members visited Gateway in October, 2006 and SBAM, NWQ and Tradewinds in February, 2007. The Board Members noted such Sub-Advisers' experienced investment teams. With respect to the Funds sub-advised by NWQ, SBAM, and Security Capital, the Board Members also noted the depth of experience of their respective personnel and disciplined investment process at the annual review.

In addition to advisory services, the Independent Board Members considered the quality of administrative and non-advisory services provided by NAM and noted that NAM and its affiliates provide the Funds with a wide variety of services and officers and other personnel as are necessary for the operations of the Funds, including:

- product management;
- fund administration;
- oversight by shareholder services and other fund service providers;
- administration of Board relations;
- regulatory and portfolio compliance; and
- legal support.

As the Funds operate in a highly regulated industry and given the importance of compliance, the Board Members considered, in particular, NAM's compliance activities for the Funds and enhancements thereto. In this regard, the Board Members recognized the quality of NAM's compliance team. With respect to Funds with Sub-Advisers, the Board Members also considered NAM's ability and procedures to monitor the respective Sub-Adviser's performance, business practices and compliance policies and procedures. The Board Members further noted NAM's negotiations with other service providers and the corresponding reduction in certain service providers' fees at the May Meeting.

With respect to closed-end Funds, in addition to the foregoing services, the Board Members also noted the additional services that NAM or its affiliates provide to closed-end Funds, including, in particular, its secondary market support activities. The Board Members recognized Nuveen's continued commitment to supporting the secondary market for the common shares of its closed-end Funds through a variety of programs designed to raise investor and analyst awareness and understanding of closed-end funds. These efforts include:

- maintaining shareholder communications;
- providing advertising for the closed-end Funds;
- maintaining its closed-end fund website;
- maintaining continual contact with financial advisers;
- providing educational symposia;
- conducting research with investors and financial analysis regarding closed-end funds; and
- evaluating secondary market performance.

With respect to the closed-end Funds that utilize leverage through the issuance of Preferred Shares, the Board Members noted Nuveen's continued support for the holders of Preferred Shares by, among other things:

- maintaining an in-house trading desk;
- maintaining a product manager for the Preferred Shares;
- developing distribution for Preferred Shares with new market participants;
- maintaining an orderly auction process;
- managing leverage and risk management of leverage; and
- maintaining systems necessary to test compliance with rating agency criteria.

With respect to Sub-Advisers, the Board Members noted that the sub-advisory agreements were essentially agreements for portfolio management services only and the respective Sub-Adviser was not expected to supply other significant administrative services to the Funds.

Based on their review, the Board Members found that, overall, the nature, extent and quality of services provided (and expected to be provided) to the Funds under the respective Original Investment Management Agreement or Original Sub-Advisory Agreement, as applicable, were satisfactory.

B. The Investment Performance of the Funds and Fund Advisers

At the May Meeting, the Board considered the investment performance for each Existing Fund, including the Existing Fund's historic performance as well as its performance compared to funds with similar investment objectives (the Performance Peer Group) based on data provided by an independent third party (as described below). The Board Members also reviewed the respective Existing Fund's historic performance compared to recognized and/or customized benchmarks (as applicable).

In evaluating the performance information during the annual review at the May Meeting, in certain instances, the Board Members noted that the closest Performance Peer Group for an Existing Fund may not adequately reflect such Existing Fund's investment objectives and strategies, thereby limiting the usefulness of the comparisons of such Fund's performance with that of the Performance Peer Group. These Performance Peer Groups include those for: Diversified Dividend, Multi-Strategy Income, Multi-Strategy Income 2, Tax-Advantaged Floating Rate, Real Estate, Equity Premium Advantage, Equity Premium Income, Equity Premium Opportunity and Equity Premium. In addition, the Board Members noted the recent change to the investment mandates of Multi-Strategy Income and Multi-Strategy Income 2 thereby limiting some of the usefulness of reviewing such Funds' past performance.

The Board Members reviewed performance information including, among other things, total return information compared with the Existing Fund's Performance Peer Group as well as recognized and/or customized benchmarks (as appropriate) for the one-, three- and five-year periods (as applicable) ending December 31, 2006. This information supplemented the performance information provided to the Board at each of its quarterly meetings. Based on their review at the May Meeting, the Board Members determined that the respective Existing Fund's investment performance over time had been satisfactory.

With respect to New Funds, the Funds did not have their own performance history at their Initial Approval Meetings. However, in certain cases, the Board Members received simulated performance information regarding the proposed investment strategies for the applicable New Fund (if available). In addition, the Board Members were also familiar with the Fund Adviser's performance record on other Nuveen funds (as applicable). Subsequent to the Initial Approval Meetings, the Board received updated performance information at each of its quarterly meetings. At the May Meeting, the Board noted that Global Government and Global Value are each relatively new Funds with performance histories that are too short for a meaningful assessment of performance.

C. Fees, Expenses and Profitability

1. Fees and Expenses

During the annual review, the Board evaluated the management fees and expenses of each Existing Fund reviewing, among other things, such Fund's advisory fees (net and gross management fees) and total expense ratios (before and after expense reimbursements and/or waivers) in absolute terms as well as comparisons to the gross management fees (before waivers), net management fees (after waivers) and total expense ratios (before and after waivers) of comparable funds in the Peer Universe and the Peer Group. In reviewing the fee schedule for an Existing Fund, the Board Members considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen. The Board Members further reviewed data regarding the construction of Peer Groups as well as the methods of measurement for the fee and expense analysis and the performance analysis. In certain cases, due to the small number of peers in the Peer Universe, the Peer Universe and Peer Group had significant overlap or even consisted entirely of the same unaffiliated funds. In reviewing the comparisons of fee and expense information, the Board Members recognized that in certain cases, the size of the Existing Fund relative to peers, the small size and odd composition of the Peer Group (including differences in objectives and strategies), expense anomalies, timing of information used or other factors impacting the comparisons thereby limited some of the usefulness of the comparative data. The Board Members also considered the differences in the use of leverage. The Board Members also noted the limited Peer Groups available for the Nuveen funds with multi-sleeves of investments (e.g., Diversified Dividend, Multi-Strategy Income, Multi-Strategy Income 2 and Total Return). Based on their review of the fee and expense information provided, the Board Members determined that each Existing Fund's net total expense ratio was within an acceptable range compared to peers.

With respect to New Funds at the Initial Approval Meetings, the Board similarly considered the New Fund's proposed management fee structure, its sub-advisory fee arrangements and expected expense ratios in absolute terms as well as compared with the fees and expense ratios of comparable, unaffiliated funds and comparable, affiliated funds (if any). The Board Members also considered the applicable fund-level breakpoint schedule and complex-wide breakpoint schedule. In addition, the Board received information regarding the New Funds' expense ratios at each of its quarterly meetings. Based on their review of the overall fee arrangements of the respective New Funds, the Board Members determined that the advisory fees and expected expenses of the applicable New Funds were reasonable.

2. Comparisons with the Fees of Other Clients

At the annual review, the Board Members further reviewed data comparing the advisory fees of NAM with fees NAM charges to other clients. Such clients include NAM's separately managed accounts and funds that are not offered by Nuveen but are sub-advised by one of Nuveen's investment management teams. In general, the advisory fees charged for separate accounts are somewhat lower than the advisory fees assessed to the Funds. The Board Members considered the differences in the product types, including, but not limited to, the services provided, the structure and operations, product distribution and costs thereof, portfolio investment policies, investor profiles, account sizes and regulatory requirements. The Board Members noted, in particular, that the range of services provided to the Funds (as discussed above) is much more extensive than that provided to separately managed accounts. As described in further detail above, such additional services include, but are not limited to: product management, fund administration, oversight of third party service providers, administration of Board relations, and legal support. The Board Members noted that the Funds operate in a highly regulated industry requiring extensive compliance functions compared to other investment products. Given the inherent differences in the products, particularly the extensive services provided to the Funds, the Board Members believe such facts justify the different levels of fees.

With respect to Sub-Advisers, in considering the fees of a Sub-Adviser, the Board Members also considered the pricing schedule or fees that the Sub-Adviser charges for similar investment management services for other fund sponsors or clients, as applicable. With respect to Symphony, the Board Members also reviewed the generally higher fees for equity and taxable fixed-income hedge funds and hedge accounts it manages, which include a performance fee. The Board Members noted that, with respect to Sub-Advisers unaffiliated with Nuveen, such fees were the result of arm's-length negotiations.

3. Profitability of Fund Advisers

In conjunction with its review of fees, the Board Members also considered the profitability of Nuveen for its advisory activities (which incorporated Nuveen's wholly-owned affiliated sub-advisers) and its financial condition. At the annual review, the Board Members reviewed the revenues and expenses of Nuveen's advisory activities for the last three years, the allocation methodology used in preparing the profitability data as well as the 2006 Annual Report for Nuveen. The Board Members noted this information supplemented the profitability information requested and received during the year to help keep them apprised of developments affecting profitability (such as changes in fee waivers and expense reimbursement commitments). In this regard, the Board Members noted the enhanced dialogue and information regarding profitability with NAM during the year, including more frequent meetings and updates from Nuveen's corporate finance group. The Board Members considered Nuveen's profitability compared with other fund sponsors prepared by three independent third party service providers as well as comparisons of the revenues, expenses and profit margins of various unaffiliated management firms with similar amounts of assets under management prepared by Nuveen.

In reviewing profitability, the Board Members recognized the subjective nature of determining profitability which may be affected by numerous factors including the allocation of expenses. Further, the Board Members recognized the difficulties in making comparisons as the profitability of other advisers generally is not publicly available and the profitability information that is available for certain advisers or management firms may not be representative of the

industry and may be affected by, among other things, the adviser's particular business mix, capital costs, types of funds managed and expense allocations.

Notwithstanding the foregoing, the Board Members reviewed Nuveen's methodology at the annual review and assumptions for allocating expenses across product lines to determine profitability. Last year, the Board Members also designated an Independent Board Member as a point person for the Board to review the methodology determinations during the year and any refinements thereto, which relevant information produced from such process was reported to the full Board. In reviewing profitability, the Board Members recognized Nuveen's increased investment in its fund business. Based on its review, the Board Members concluded that Nuveen's level of profitability for its advisory activities was reasonable in light of the services provided. With respect to Funds with Sub-Advisers unaffiliated with Nuveen, the Board Members also considered the Sub-Adviser's revenues from serving as sub-adviser to the applicable Existing Funds, expenses (including the basis for allocating expenses) and profitability margins (pre- and post-tax). Based on their review, the Board Members were satisfied that the respective Fund Adviser's level of profitability was reasonable in light of the services provided.

In evaluating the reasonableness of the compensation, the Board Members also considered other amounts paid to a Fund Adviser by the Funds as well as any indirect benefits (such as soft dollar arrangements, if any) the Fund Adviser and its affiliates receive, or are expected to receive, that are directly attributable to the management of the Funds, if any. See Section E below for additional information on indirect benefits a Fund Adviser may receive as a result of its relationship with the Funds. Based on their review of the overall fee arrangements of each Existing Fund, the Board Members determined that the advisory fees and expenses of the Funds were reasonable.

D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

With respect to economies of scale, the Board Members recognized the potential benefits resulting from the costs of a Fund being spread over a larger asset base. To help ensure the shareholders share in these benefits, the Board Members reviewed and considered the breakpoints in the advisory fee schedules that reduce advisory fees. In addition to advisory fee breakpoints, the Board also approved a complex-wide fee arrangement in 2004. Pursuant to the complex-wide fee arrangement, the fees of the funds in the Nuveen complex, including the Funds, are reduced as the assets in the fund complex reach certain levels. In evaluating the complex-wide fee arrangement, the Board Members noted that the last complex-wide asset level breakpoint for the complex-wide fee schedule was at \$91 billion and that the Board Members anticipated further review and/or negotiations prior to the assets of the Nuveen complex reaching such threshold. Based on their review, the Board Members concluded that the breakpoint schedule and complex-wide fee arrangement were acceptable and desirable in providing benefits from economies of scale to shareholders, subject to further evaluation of the complex-wide fee schedule as assets in the complex increase. See Section II, Paragraph D

Approval of the New Investment Management Agreements and New Sub-Advisory Agreements – Economies of Scale and Whether Fee Levels Reflect These Economies of Scale for information regarding subsequent modifications to the complex-wide fee.

E. Indirect Benefits

In evaluating fees, the Board Members also considered any indirect benefits or profits the respective Fund Adviser or its affiliates may receive as a result of its relationship with each Fund. In this regard, the Board Members considered the revenues received by affiliates of NAM for serving as agent at Nuveen's preferred trading desk and for serving as a co-manager in the initial public offering of new closed-end exchange traded funds.

In addition to the above, the Board Members considered whether the Fund Adviser received any benefits from soft dollar arrangements whereby a portion of the commissions paid by a Fund for brokerage may be used to acquire research that may be useful to the Fund Adviser in managing the assets of the Funds and other clients. With respect to NAM, the Board Members noted that NAM does not currently have any soft dollar arrangements; however, to the extent certain bona fide agency transactions that occur on markets that traditionally trade on a principal basis and riskless principal transactions are considered as generating commissions, NAM intends to comply with the applicable safe harbor provisions. With respect to NWQ, SBAM, Security Capital, and Tradewinds, the Board Members considered that such Sub-Advisers may benefit from their soft dollar arrangements pursuant to which the respective Sub-Adviser receives research from brokers that execute the applicable Fund's portfolio transactions. With respect to Wellington, the Board Members noted that while Wellington does have some soft dollar arrangements with respect to some of its agency trades, the trades in fixed income securities held by Diversified Dividend are done on a principal basis. For these Sub-Advisers, the Board Members noted that such Sub-Advisers' profitability may be lower if they were required to pay for this research with hard dollars.

With respect to Gateway, Spectrum and Symphony, the following soft dollar arrangements were noted. The Board noted that Spectrum does not pay excess brokerage commissions in order to receive research services but may from time to time receive research generally provided to a broker's clients. With respect to Gateway, the Board considered that while Gateway may select brokers that provide it with research services, it is Gateway's current practice not to receive soft dollar credits in connection with trades executed for the Funds it advises but it may seek to do so in the future. With respect to Symphony, the Board also considered that Symphony currently does not enter into soft dollar arrangements; however, it has adopted a soft dollar policy in the event it does so in the future.

With respect to INTECH, the Board noted at its Initial Approval Meeting that INTECH currently does not use soft dollar arrangements.

Based on their review, the Board Members concluded that any indirect benefits received by a Fund Adviser as a result of its relationship with the Funds were reasonable and within acceptable parameters.

F. Other Considerations

The Board Members did not identify any single factor discussed previously as all-important or controlling in their considerations to initially approve or continue an advisory contract. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the Original Investment Management and Original Sub-Advisory Agreements are fair and reasonable, that the respective Fund Adviser's fees are reasonable in light of the services provided to each Fund and that the Original Investment Management Agreements and the Original Sub-Advisory Agreements be approved or renewed (as applicable).

II. Approval of the New Investment Management Agreements and New Sub-Advisory Agreements

Following the May Meeting, the Board Members were advised of the potential Transaction. As noted above, the completion of the Transaction would terminate each of the Original Investment Management Agreements and Original Sub-Advisory Agreements. Accordingly, at a meeting held on July 31, 2007 (the July Meeting), the Board of each Fund, including the Independent Board Members, unanimously approved the New Investment Management Agreements and New Sub-Advisory Agreements on behalf of the respective Funds. Leading up to the July Meeting, the Board Members had several meetings and deliberations with and without Nuveen management present, and with the advice of legal counsel, regarding the proposed Transaction as outlined below.

On June 8, 2007, the Board Members held a special telephonic meeting to discuss the proposed Transaction. At that meeting, the Board Members established a special ad hoc committee comprised solely of Independent Board Members to focus on the Transaction and to keep the Independent Board Members updated with developments regarding the Transaction. On June 15, 2007, the ad hoc committee discussed with representatives of NAM the Transaction and modifications to the complex-wide fee schedule that would generate additional fee savings at specified levels of complex-wide asset growth (as set forth in Appendix D). Following the foregoing meetings and several subsequent telephonic conferences among Independent Board Members and independent counsel, and between Independent Board Members and representatives of Nuveen, the Board met on June 18, 2007 to further discuss the proposed Transaction. Immediately prior to and then again during the June 18, 2007 meeting, the Independent Board Members met privately with their independent legal counsel. At that meeting, the Board met with representatives of MDP, of Goldman Sachs, Nuveen's financial adviser in the Transaction, and of the Nuveen Board to discuss, among other things, the history and structure of MDP, the terms of the proposed Transaction (including the financing terms), and MDP's general plans and intentions with respect to Nuveen (including with respect to management, employees, and future growth prospects). On July 9, 2007, the Board also met to be updated on the Transaction as part of a special telephonic Board meeting. The Board Members were further updated at a special in-person Board meeting held on July 19, 2007 (one Independent Board Member participated telephonically). Subsequently, on July 27, 2007, the ad hoc committee held a telephonic conference with representatives of Nuveen and MDP to further discuss, among other things, the Transaction, the financing of the Transaction, retention and incentive plans for key employees, the effect of regulatory restrictions on transactions with affiliates after the Transaction, and current volatile market conditions and their impact on the Transaction.

In connection with their review of the New Investment Management Agreements and New Sub-Advisory Agreements, the Independent Board Members, through their independent legal counsel, also requested in writing and received additional information regarding the proposed Transaction and its impact on the provision of services by NAM and its affiliates.

The Independent Board Members received, well in advance of the July Meeting, materials which outlined, among other things:

the structure and terms of the Transaction, including MDP's co-investor entities and their expected ownership interests, and the financing arrangements that will exist for Nuveen following the closing of the Transaction;

the strategic plan for Nuveen following the Transaction;

the governance structure for Nuveen following the Transaction;

any anticipated changes in the operations of the Nuveen funds following the Transaction, including changes to NAM s and Nuveen s day-to-day management, infrastructure and ability to provide advisory, distribution or other applicable services to the Funds;

any changes to senior management or key personnel who work on Fund related matters (including portfolio management, investment oversight, and legal/compliance) and any retention or incentive arrangements for such persons;

any anticipated effect on each Fund s expense ratio (including advisory fees) following the Transaction;

any benefits or undue burdens imposed on the Funds as a result of the Transaction;

any legal issues for the Funds as a result of the Transaction;

the nature, quality and extent of services expected to be provided to the Funds following the Transaction, changes to any existing services and policies affecting the Funds, and cost-cutting efforts, if any, that may impact such services or policies;

any conflicts of interest that may arise for Nuveen or MDP with respect to the Funds;

the costs associated with obtaining necessary shareholder approvals and who would bear those costs; and

from legal counsel, a memorandum describing the applicable laws, regulations and duties in approving advisory contracts, including, in particular, with respect to a change of control.

Immediately preceding the July Meeting, representatives of MDP met with the Board to further respond to questions regarding the Transaction. After the meeting with MDP, the Independent Board Members met with independent legal counsel in executive session. At the July Meeting, Nuveen also made a presentation and responded to questions. Following the presentations and discussions of the materials presented to the Board, the Independent Board Members met again in executive session with their counsel. As outlined in more detail below, the Independent Board Members considered all factors they believed relevant with respect to each Fund, including the impact that the Transaction could be expected to have on the following: (a) the nature, extent and quality of services to be provided; (b) the investment performance of the Funds; (c) the costs of the services and profits to be realized by Nuveen and its affiliates; (d) the extent to which economies of scale would be realized; and (e) whether fee levels reflect those economies of scale for the benefit of investors. As noted above, during the past year, the Board Members had completed their annual review of, or initially approved, the respective Original Investment Management Agreements and Original Sub-Advisory Agreements and many of the factors considered at such reviews were applicable to their evaluation of the New Investment Management Agreements and New Sub-Advisory Agreements. Accordingly, in evaluating such agreements, the Board Members relied upon their knowledge and experience with the Fund Advisers and considered the information received and their evaluations and conclusions drawn at the reviews. The Independent Board Members evaluated

all information available to them on a Fund-by-Fund basis, and their determinations were made separately in respect of each Fund.

A. Nature, Extent and Quality of Services

In evaluating the nature, quality and extent of the services expected to be provided by the Fund Adviser under the applicable New Investment Management Agreement or New Sub-Advisory Agreement, the Independent Board Members considered, among other things, the expected impact, if any, of the Transaction on the operations, facilities, organization and personnel of NAM and each Sub-Adviser (if applicable); the potential implications of regulatory restrictions on the Funds following the Transaction; the ability of NAM and its affiliates to perform their duties after the Transaction; and any anticipated changes to the current investment and other practices of the Funds.

The Board noted that the terms of each New Investment Management Agreement, including the fees payable thereunder, are substantially identical to those of the Original Investment Management Agreement relating to the same Fund (with both reflecting reductions to fee levels in the complex-wide fee schedule for complex-wide assets in excess of \$80 billion that have an effective date of August 20, 2007). Similarly, the terms of each New Sub-Advisory Agreement, including fees payable thereunder, are substantially identical to those of the Original Sub-Advisory Agreement relating to the same Fund. The Board considered that the services to be provided and the standard of care under the New Investment Advisory Agreements and the New Sub-Advisory Agreements are the same as the corresponding original agreements. For Funds with Sub-Advisers, the Board Members noted the Transaction does not alter the allocation of responsibilities between the Adviser and Sub-Adviser. The respective Sub-Adviser for the applicable Funds will continue to furnish an investment program in respect of, make investment decisions for and place all orders for the purchase and sale of securities for the portion of the Fund's investment portfolio allocated by the Adviser to the respective Sub-Adviser, all on behalf of the applicable Fund and subject to oversight of the Board and the Adviser. The Board Members further noted that key personnel of the Adviser or Sub-Adviser who have responsibility for the Funds in each area, including portfolio management, investment oversight, fund management, fund operations, product management, legal/compliance and board support functions, are expected to be the same following the Transaction. The Board Members considered and are familiar with the qualifications, skills and experience of such personnel. The Board also considered certain information regarding any anticipated retention or incentive plans designed to retain key personnel. Further, the Board Members noted that no changes to Nuveen's infrastructure (including at the affiliated Sub-Adviser level) or operations as a result of the Transaction were anticipated other than potential enhancements as a result of an expected increase in the level of investment in such infrastructure and personnel. The Board noted MDP's representations that it does not plan to have a direct role in the management of Nuveen, appointing new management personnel, or directly impacting individual staffing decisions. The Board Members also noted that there were not any planned cost cutting measures that could be expected to reduce the nature, extent or quality of services. After consideration of the foregoing, the Board Members concluded that no diminution in the nature, quality and extent of services provided to the Funds and their shareholders by the respective Fund Advisers is expected.

In addition to the above, the Board Members considered potential changes in the operations of each Fund. In this regard, the Board Members considered the potential effect of regulatory

restrictions on the Funds' transactions with future affiliated persons. During their deliberations, it was noted that, after the Transaction, a subsidiary of Merrill Lynch is expected to have an ownership interest in Nuveen at a level that will make Merrill Lynch an affiliated person of Nuveen. The Board Members recognized that applicable law would generally prohibit the Funds from engaging in securities transactions with Merrill Lynch as principal, and would also impose restrictions on using Merrill Lynch for agency transactions. They recognized that having MDP and Merrill Lynch as affiliates may restrict the Funds' ability to invest in securities of issuers controlled by MDP or issued by Merrill Lynch and its affiliates even if not bought directly from MDP or Merrill Lynch as principal. They also recognized that various regulations may require the Funds to apply investment limitations on a combined basis with affiliates of Merrill Lynch. The Board Members considered information provided by NAM regarding the potential impact on the Funds' operations as a result of these regulatory restrictions. The Board Members considered, in particular, the Funds that may be impacted most by the restricted access to Merrill Lynch, including: municipal funds (particularly certain state-specific funds), senior loan funds, taxable fixed income funds, preferred security funds and funds that heavily use derivatives. The Board Members considered such Funds' historic use of Merrill Lynch as principal in their transactions and information provided by NAM regarding the expected impact resulting from Merrill Lynch's affiliation with Nuveen and available measures that could be taken to minimize such impact. NAM informed the Board Members that, although difficult to determine with certainty, its management did not believe that MDP's or Merrill Lynch's status as an affiliate of Nuveen would have a material adverse effect on any Fund's ability to pursue its investment objectives and policies.

In addition to the regulatory restrictions considered by the Board, the Board Members also considered potential conflicts of interest that could arise between the Funds and various parties to the Transaction and discussed possible ways of addressing such conflicts.

Based on its review along with its considerations regarding services at the annual and/or initial review, the Board concluded that the Transaction was not expected to adversely affect the nature, quality or extent of services provided by the respective Fund Adviser and that the expected nature, quality and extent of such services supported approval of the New Investment Management Agreements and New Sub-Advisory Agreements.

B. Performance of the Funds

With respect to the performance of the Funds, the Board considered that the portfolio management personnel responsible for the management of the Funds' portfolios were expected to continue to manage the portfolios following the completion of the Transaction.

In addition, the Board Members recently reviewed Existing Fund performance at the May Meeting, as described above, and determined such Funds' performance was satisfactory or better. With respect to New Funds, the Funds did not have their own performance history at their respective Initial Approval Meetings. However, in certain cases, the Board Members received simulated performance information regarding the proposed investment strategies for the applicable New Fund (if available). The Board Members noted that the New Funds have only been operating for a short period since their inception. In this regard, with respect to the annual review at the May Meeting for Global Government and Global Value, the Board Members noted such Funds have a performance history that is too short for a meaningful assessment of performance. The Board Members further noted that the investment policies and strategies were not expected to change as a result of the Transaction.

In light of the foregoing factors, along with the prior findings regarding performance at the annual review, the Board concluded that its findings with respect to performance supported approval of the New Investment Management Agreements and New Sub-Advisory Agreements.

C. Fees, Expenses and Profitability

As described in more detail above, during the annual or initial reviews, the Board Members considered, among other things, the management fees and expenses of the Funds, the breakpoint schedules, and comparisons of such fees and expenses with peers. At the annual or initial review, the Board Members determined that the respective Fund's advisory fees and expenses were reasonable. In evaluating the profitability of the Fund Adviser under the New Investment Management Agreements and New Sub-Advisory Agreements, the Board Members considered their conclusions at their prior reviews and whether the management fees or other expenses would change as a result of the Transaction. As described above, the investment management fee for NAM is composed of two components—a fund-level component and complex-wide level component. The fee schedule under the New Investment Management Agreements to be paid to NAM is identical to that under the Original Investment Management Agreements, including the modified complex-wide fee schedule. As noted above, the Board recently approved a modified complex-wide fee schedule that would generate additional fee savings on complex-wide assets above \$80 billion. See Appendix D for both the prior and the new complex-wide fee schedule. The modifications have an effective date of August 20, 2007 and are part of the Original Investment Management Agreements. Accordingly, the terms of the complex-wide component under the New Investment Management Agreements are the same as under the Original Investment Management Agreements. The Board Members also noted that Nuveen has committed for a period of two years from the date of closing of the Transaction that it will not increase gross management fees for any Fund and will not reduce voluntary expense reimbursement levels for any Fund from their currently scheduled prospective levels. Based on the information provided, the Board Members did not expect that overall Fund expenses would increase as a result of the Transaction.

In addition, the Board Members considered that additional fund launches were anticipated after the Transaction which would result in an increase in total assets under management in the complex and a corresponding decrease in overall management fees under the complex-wide fee schedule. Taking into consideration the Board's prior evaluation of fees and expenses at the annual renewal or initial approval, and the modification to the complex-wide fee schedule, the Board determined that the management fees and expenses were reasonable.

While it is difficult to predict with any degree of certainty the impact of the Transaction on Nuveen's profitability for its advisory activities (which includes its affiliated Sub-Advisers), at the recent annual review, the Board Members were satisfied that Nuveen's level of profitability for its advisory activities was reasonable. During the year, the Board Members had noted the enhanced dialogue regarding profitability and the appointment of an Independent Board Member as a point person to review methodology determinations and refinements in calculating profitability. Given their considerations at the annual or initial review and the modifications to the complex-wide fee schedule, the Board Members were satisfied that Nuveen's level of profitability for its advisory activities continues to be reasonable.

With respect to the Sub-Advisers, the fees paid under the New Sub-Advisory Agreements are the same as the Original Sub-Advisory Agreements. With respect to Funds with Sub-Advisers

unaffiliated with Nuveen, the Board Members considered the Sub-Adviser's revenues from serving as Sub-Adviser to the applicable Funds, expenses (including the basis for allocating expenses) and profitability margins (pre- and post-tax) at the annual review. The Transaction is not anticipated to affect the profitability of such Sub-Advisers. At the annual review, the Board Members were satisfied that the respective Fund Adviser's level of profitability was reasonable in light of the services provided. Taking into account the Board's prior evaluation and the fact that sub-advisory fees will not change, the Board Members were satisfied that the respective Fund Advisers' levels of profitability were reasonable in light of the services provided.

D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

The Board Members have been cognizant of economies of scale and the potential benefits resulting from the costs of a Fund being spread over a larger asset base. To help ensure that shareholders share in the benefits derived from economies of scale, the Board adopted the complex-wide fee arrangement in 2004. At the May Meeting, the Board Members reviewed the complex-wide fee arrangements and noted that additional negotiations may be necessary or appropriate as the assets in the complex approached the \$91 billion threshold. In light of this assessment coupled with the upcoming Transaction, at the June 15, 2007 meeting, the ad hoc committee met with representatives of Nuveen to further discuss modifications to the complex-wide fee schedule that would generate additional savings for shareholders as the assets of the complex grow. The proposed terms for the complex-wide fee schedule are expressed in terms of targeted cumulative savings at specified levels of complex-wide assets, rather than in terms of targeted marginal complex-wide fee rates. Under the modified schedule, the schedule would generate additional fee savings beginning at complex-wide assets of \$80 billion in order to achieve targeted cumulative annual savings at \$91 billion of \$28 million on a complex-wide level (approximately \$0.6 million higher than those generated under the then current schedule) and generate additional fee savings for asset growth above complex-wide assets of \$91 billion in order to achieve targeted annual savings at \$125 billion of assets of approximately \$50 million on a complex-wide level (approximately \$2.2 million higher annually than that generated under the then current schedule). At the July Meeting, the Board approved the modified complex-wide fee schedule for the Original Investment Management Agreements and these same terms will apply to the New Investment Management Agreements. Accordingly, the Board Members believe that the breakpoint schedules and revised complex-wide fee schedule are appropriate and desirable in ensuring that shareholders participate in the benefits derived from economies of scale.

E. Indirect Benefits

During their recent annual or initial review, the Board Members considered any indirect benefits that the Fund Adviser may receive as a result of its relationship with the Funds, as described above. As the policies and operations of the Fund Advisers are not anticipated to change significantly after the Transaction, such indirect benefits should remain after the Transaction. The Board Members further considered any additional indirect benefits to be received by the Fund Adviser or its affiliates after the Transaction. The Board Members noted that other than benefits from its ownership interest in Nuveen and indirect benefits from fee revenues paid by the Funds under the management agreements and other Board-approved relationships, it was currently not expected that MDP or its affiliates would derive any benefit from the Funds as a result of the Transaction or transact any business with or on behalf of the

Funds (other than perhaps potential Fund acquisitions, in secondary market transactions, of securities issued by MDP portfolio companies); or that Merrill Lynch or its affiliates would derive any benefits from the Funds as a result of the Transaction (noting that, indeed, Merrill Lynch would stand to experience the discontinuation of principal transaction activity with the Funds and likely would experience a noticeable reduction in the volume of agency transactions with the Funds).

F. Other Considerations

In addition to the factors above, the Board Members also considered the following with respect to the Funds:

Nuveen would rely on the provisions of Section 15(f) of the 1940 Act (as described above). In this regard, to help ensure that an unfair burden is not imposed on the Funds, Nuveen has committed for a period of two years from the date of the closing of the Transaction (i) not to increase gross management fees for any Fund; (ii) not to reduce voluntary expense reimbursement levels for any Fund from their currently scheduled prospective levels during that period; (iii) that no Fund whose portfolio is managed by a Nuveen affiliate shall use Merrill Lynch as a broker with respect to portfolio transactions done on an agency basis, except as may be approved in the future by the Compliance Committee of the Board; and (iv) that each adviser/portfolio team affiliated with Nuveen shall not cause the Funds (or sleeves thereof) and other Nuveen funds that the team manages, as a whole, to enter into portfolio transactions with or through the other minority owners of Nuveen, on either a principal or an agency basis, to a significantly greater extent than both what one would expect an investment team to use such firm in the normal course of business, and what such team has historically done, without prior Board or Compliance Committee approval (excluding the impact of proportionally increasing the use of such other minority owners to fill the void necessitated by not being able to use Merrill Lynch).

The Funds would not incur any costs in seeking the necessary shareholder approvals for the New Investment Management Agreements or New Sub-Advisory Agreements (except for any costs attributed to seeking shareholder approvals of Fund specific matters unrelated to the Transaction, such as approval of Board Members or changes to investment policies, in which case a portion of such costs will be borne by the applicable Funds).

The reputation, financial strength and resources of MDP.

The long-term investment philosophy of MDP and anticipated plans to grow Nuveen's business to the benefit of the Funds.

The benefits to the Funds as a result of the Transaction including: (i) as a private company, Nuveen may have more flexibility in making additional investments in its business; (ii) as a private company, Nuveen may be better able to structure compensation packages to attract and retain talented personnel; (iii) as certain of Nuveen's distribution partners are expected to be equity or debt investors in Nuveen, Nuveen may be able to take advantage of new or enhanced distribution arrangements with such partners; and (iv) MDP's experience, capabilities and resources that may help Nuveen identify and acquire investment teams or firms and finance such acquisitions.

The historic premium and discount levels at which the shares of the Funds have traded at specified dates with particular focus on the premiums and discounts after the

announcement of the Transaction, taking into consideration recent volatile market conditions and steps or initiatives considered or undertaken by NAM to address discount levels.

G. Conclusion

The Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the New Investment Management Agreements and New Sub-Advisory Agreements are fair and reasonable, that the fees therein are reasonable in light of the services to be provided to each Fund and that the New Investment Management Agreements and New Sub-Advisory Agreements should be approved and recommended to shareholders.

III. Approval of Interim Contracts

As noted above, at the July Meeting, the Board Members, including the Independent Board Members, unanimously approved the Interim Investment Management Agreements and Interim Sub-Advisory Agreements. If necessary to assure continuity of advisory services, the Interim Investment Management Agreements and Interim Sub-Advisory Agreements will take effect upon the closing of the Transaction if shareholders have not yet approved the New Investment Management Agreements and New Sub-Advisory Agreements. The terms of each Interim Investment Management Agreement and Interim Sub-Advisory Agreement are substantially identical to those of the corresponding Original Investment Management Agreement and New Investment Management Agreement and the Original Sub-Advisory Agreement and New Sub-Advisory Agreement, respectively, except for the term and escrow provisions described above. In light of the foregoing, the Board Members, including the Independent Board Members, unanimously determined that the scope and quality of services to be provided to the Funds under the respective Interim Investment Management Agreement and Interim Sub-Advisory Agreement are at least equivalent to the scope and quality of services provided under the applicable Original Investment Management Agreement and Original Sub-Advisory Agreement.

3. Approval of New Sub-Advisory Agreements for Equity Premium, Equity Premium Advantage, Equity Premium Income and Equity Premium Opportunity only

Background

NAM previously entered into investment sub-advisory agreements with Gateway for each of Equity Premium, Equity Premium Advantage, Equity Premium Income and Equity Premium Opportunity (each a Nuveen Gateway Fund and collectively, the Nuveen Gateway Funds). In addition, shareholders of each of the Nuveen Gateway Funds are being asked in proposal 2 of this proxy statement to approve a new sub-advisory agreement to take effect following the Nuveen Transaction with MDP. Each sub-advisory agreement between NAM and Gateway in effect immediately prior to the date of the Gateway Transaction (as defined below) is referred to as an Original Sub-Advisory Agreement and collectively as the Original Sub-Advisory Agreements.

It is currently expected that on or about February 12, 2008, Natixis Global Asset Management, L.P. will acquire, through its wholly owned subsidiary, IXIS Anchor Acquisition, LLC (which will simultaneously change its name to Gateway Investment Advisers, LLC (New Gateway)),

substantially all of the assets and liabilities of Gateway (the Gateway Transaction). Consummation of the Gateway Transaction is subject to a number of conditions, including Gateway's receipt, from clients representing a large portion of assets managed by Gateway, of the requisite consents or approvals necessary for New Gateway to replace Gateway, as the client's adviser or sub-adviser.

Gateway is a Delaware limited partnership, 74.66% of which is owned by its general partner, Gateway Investment Advisers, Inc. (the General Partner), an Ohio corporation. The management, policies, and control of Gateway are vested exclusively in the General Partner. The General Partner is owned by J. Patrick Rogers and Walter G. Sall. Mr. Rogers has been President of Gateway since 1995 and has served as its Chief Executive Officer since 2006. Mr. Sall founded Gateway in 1977 and serves as its Chairman. Gateway also has three limited partners (the Limited Partners), each of which is a corporation owned by a senior executive officer of Gateway other than Mr. Sall and Mr. Rogers. The Limited Partners collectively own a 25.34% interest in Gateway.

New Gateway, a Delaware limited liability company, will be a wholly owned subsidiary of Natixis Global Asset Management, L.P. (Natixis GAM), a Delaware limited partnership which is a subsidiary of Natixis Global Asset Management, a French corporation that serves as the holding company for the asset management businesses of Natixis. Natixis GAM is ultimately owned principally, directly or indirectly, by three large French financial services entities: Natixis (formerly Natixis Banques Populaires), an investment banking and financial services firm; the Caisse Nationale des Caisses d'Épargne, a financial institution owned by French regional savings banks known as the Caisses d'Épargne; and Banque Fédérale des Banques Populaires, a financial institution owned by French regional cooperative banks known as the Banques Populaires. Natixis GAM has 14 principal subsidiary or affiliated asset management firms that collectively had over \$247 billion in assets under management at December 31, 2006. Assuming the Gateway Transaction occurs, New Gateway will be the successor in interest to Gateway, which is in turn the successor in interest to an investment adviser organized in 1977. Gateway had over \$7.6 billion in assets under management as of June 30, 2007.

Each Original Sub-Advisory Agreement, as required by Section 15 of the 1940 Act, provides for its automatic termination upon its assignment, as that term is defined in the 1940 Act. Under the 1940 Act, a change in control of an investment company's sub-adviser is deemed to be an assignment. The Gateway Transaction will cause a change in control of Gateway and, accordingly, will be deemed to cause an assignment of each Original Sub-Advisory Agreement. As a result, each Original Sub-Advisory Agreement will be automatically terminated as of the date of the Gateway Transaction.

In anticipation of the Gateway Transaction, the Board of each Nuveen Gateway Fund met in person on July 31, 2007 for purposes of considering whether it would be in the best interests of each Nuveen Gateway Fund and its shareholders to approve a new sub-advisory agreement between NAM and New Gateway (each a New Gateway Sub-Advisory Agreement) and collectively, the New Gateway Sub-Advisory Agreements) to take effect after the Gateway Transaction.

At the July 31, 2007 Board meeting, and for the reasons discussed below (see Additional Board Considerations for the Nuveen Gateway Funds), the Board of each Nuveen Gateway Fund, including the Independent Board Members, unanimously determined that the New Gateway Sub-Advisory Agreements were in the best interests of each Fund and its

shareholders and approved the New Gateway Sub-Advisory Agreements, subject to the consummation of the Gateway Transaction and approval by shareholders. The 1940 Act requires that each New Gateway Sub-Advisory Agreement be approved by that Fund's shareholders in order for it to become effective. In the event shareholders of a Fund do not approve that Fund's New Gateway Sub-Advisory Agreement, the Board of such Fund will take such action as it deems to be in the best interests of the Fund and its shareholders. In the event that the Gateway Transaction is not consummated, Gateway will continue to serve as sub-adviser to the Nuveen Gateway Funds under the Original Sub-Advisory Agreements, because the Original Sub-Advisory Agreement for each Fund would not terminate (except as described in proposal 2 above). The form of the New Gateway Sub-Advisory Agreement is attached hereto as Appendix G.

Comparison of Original Sub-Advisory Agreement and New Gateway Sub-Advisory Agreement

Gateway and New Gateway are referred to collectively as the Sub-Adviser. The terms of each New Gateway Sub-Advisory Agreement, including fees payable to the Sub-Adviser by NAM thereunder, are substantially identical to those of the Original Sub-Advisory Agreement and the New Sub-Advisory Agreement, subject to shareholder approval under proposal 2, except for the dates of effectiveness. There is no change in the fee rate payable by NAM to the Sub-Adviser. If approved by shareholders of a Nuveen Gateway Fund, the New Gateway Sub-Advisory Agreement for the Fund will expire on August 1, 2008, unless continued. Each New Gateway Sub-Advisory Agreement will continue in effect from year to year thereafter if such continuance is approved for the Fund at least annually in the manner required by the 1940 Act and the rules and regulations thereunder. Below is a comparison of certain terms of the Original Sub-Advisory Agreements to the terms of the New Gateway Sub-Advisory Agreements.

Advisory Services. The advisory services to be provided by the Sub-Adviser to each Nuveen Gateway Fund under the New Gateway Sub-Advisory Agreements will be identical to those advisory services currently provided by the Sub-Adviser to each Fund under the Original Sub-Advisory Agreements. Both the Original Sub-Advisory Agreements and New Gateway Sub-Advisory Agreements provide that the Sub-Adviser will furnish an investment program in respect of, make investment decisions for and place all orders for the purchase and sale of securities for the portion of the Fund's investment portfolio allocated by the Adviser to the Sub-Adviser, all on behalf of the Fund and subject to oversight of the Fund's Board and the Adviser. In performing its duties under both the Original Sub-Advisory Agreements and the New Gateway Sub-Advisory Agreements, the Sub-Adviser will monitor the Fund's investments and will comply with the provisions of the Fund's Declaration of Trust and By-Laws and the stated investment objectives, policies and restrictions of the Fund. It is not anticipated that the Gateway Transaction will have any adverse effect on the performance of a Sub-Adviser's obligations under the New Gateway Sub-Advisory Agreements.

Brokerage. Both the Original Sub-Advisory Agreements and New Gateway Sub-Advisory Agreements authorize the Sub-Adviser to select the brokers or dealers that will execute the purchases and sales of portfolio securities for the Nuveen Gateway Funds, subject to its obligation to obtain best execution under the circumstances, which may take account of the overall quality of brokerage and research services provided to the Sub-Adviser.

Fees. Under both the Original Sub-Advisory Agreements and New Gateway Sub-Advisory Agreements, the Adviser pays the Sub-Adviser a portfolio management fee out of the

investment management fee it receives from the Fund. The rate of the portfolio management fees payable by the Adviser to the Sub-Adviser under the New Gateway Sub-Advisory Agreements is identical to the rate of the fees paid under the Original Sub-Advisory Agreements. The annual rate of portfolio management fees payable to the Sub-Adviser under the Original Sub-Advisory Agreements and the New Gateway Sub-Advisory Agreements and the fees paid by the Adviser to the Sub-Adviser with respect to each Fund during each Fund's last fiscal year is set forth in Appendix I to this Proxy Statement. Appendix I also includes the advisory fee rates and net assets of funds not included in this Proxy Statement advised by the Sub-Adviser with similar investment objectives as the Nuveen Gateway Funds.

Payment of Expenses. Under each Original Sub-Advisory Agreement and New Gateway Sub-Advisory Agreement, the Sub-Adviser agrees to pay all expenses it incurs in connection with its activities under the Agreement other than the cost of securities (including brokerage commissions) purchased for the Nuveen Gateway Fund.

Limitation on Liability. The Original Sub-Advisory Agreements and New Gateway Sub-Advisory Agreements provide that the Sub-Adviser will not be liable for, and the Adviser will not take any action against the Sub-Adviser to hold the Sub-Adviser liable for, any error of judgment or mistake of law or for any loss suffered by the Fund in connection with the performance of the Sub-Adviser's duties under the Agreement, except for a loss resulting from willful misfeasance, bad faith or gross negligence on the part of the Sub-Adviser in the performance of duties under the Agreement, or by reason of its reckless disregard of its obligations and duties under the Agreement.

Continuance. The Original Sub-Advisory Agreement of each Nuveen Gateway Fund originally was in effect for an initial term and could be continued thereafter for successive one-year periods if such continuance was specifically approved at least annually in the manner required by the 1940 Act. If the shareholders of a Nuveen Gateway Fund approve the New Gateway Sub-Advisory Agreement for that Fund, the New Gateway Sub-Advisory Agreement will expire on August 1, 2008, unless continued. Thereafter, the New Gateway Sub-Advisory Agreement may be continued for successive one-year periods if approved at least annually in the manner required by the 1940 Act.

Termination. The Original Sub-Advisory Agreement and New Gateway Sub-Advisory Agreement for each Nuveen Gateway Fund provide that the Agreement may be terminated at any time without the payment of any penalty by NAM or the Sub-Adviser on sixty (60) days' written notice to the other party. The Original Sub-Advisory Agreement and New Gateway Sub-Advisory Agreement may also be terminated by a Fund with respect to that Fund by action of the Fund's Board or by a vote of a majority of the outstanding voting securities of that Fund, accompanied by 60 days' written notice.

The Original Sub-Advisory Agreement and New Gateway Sub-Advisory Agreement for each Nuveen Gateway Fund is also terminable with respect to that Fund at any time without the payment of any penalty, by the Adviser, the Board or by vote of a majority of the outstanding voting securities of that Fund in the event that it is established by a court of competent jurisdiction that the Sub-Adviser or any of its officers or directors has taken any action that results in a breach of the representations of the Sub-Adviser set forth in the Agreement.

Information about New Gateway

For general information about Gateway and its officers and directors, see proposal 2. New Gateway will acquire substantially all of the assets and liabilities of Gateway and will become the successor in interest to Gateway's entire business. It is anticipated that New Gateway will operate as a stand-alone registered investment adviser. The management, policies and control of New Gateway are vested exclusively in its board of managers, which will include representatives from Natixis GAM and Gateway senior management chosen by Natixis GAM. After the Gateway Transaction, it is anticipated that each officer of Gateway will serve New Gateway in the same capacity. In connection with the Gateway Transaction, J. Patrick Rogers, Gateway's Chief Executive Officer and co-portfolio manager of the Nuveen Gateway Funds, Kenneth H. Toft, Gateway Vice President and co-portfolio manager of Equity Premium Opportunity and Equity Premium, Michael T. Buckius, Gateway Vice President and co-portfolio manager of Equity Premium Income and Equity Premium Advantage, and Paul R. Stewart, Gateway's Chief Investment Officer, have each extended the terms of their employment agreements with New Gateway. The Gateway Transaction is not expected to have any effect on the portfolio management of the Nuveen Gateway Funds.

Shareholder Approval

To become effective, each Nuveen Gateway Fund's New Gateway Sub-Advisory Agreement must be approved by a vote of a majority of the outstanding voting securities of the Fund. The vote of a majority of the outstanding voting securities is defined in the 1940 Act as the lesser of the vote of (i) 67% or more of the shares of the Fund entitled to vote thereon present at the meeting if the holders of more than 50% of such outstanding shares are present in person or represented by proxy; or (ii) more than 50% of such outstanding shares of the Fund entitled to vote thereon. Each New Gateway Sub-Advisory Agreement was approved by the Board after consideration of all factors which it determined to be relevant to its deliberations, including those discussed below. The Board also determined to submit the New Gateway Sub-Advisory Agreement for consideration by the shareholders of the Fund.

The Board of each Fund unanimously recommends that shareholders of the Fund vote FOR approval of the Fund's New Gateway Sub-Advisory Agreement.

Additional Board Considerations for the Nuveen Gateway Funds

Approval of the New Gateway Sub-Advisory Agreements on behalf of the Nuveen Gateway Funds

Following the May Meeting, the Board Members were advised of the potential Gateway Transaction. As noted above, the completion of the Gateway Transaction would terminate the Original Sub-Advisory Agreement with Gateway and NAM on behalf of each Nuveen Gateway Fund. Accordingly, at the July Meeting, the Board of each Nuveen Gateway Fund, including the Independent Board Members, unanimously approved the New Gateway Sub-Advisory Agreement on behalf of each Nuveen Gateway Fund.

In connection with their review of the New Gateway Sub-Advisory Agreements, the Independent Board Members, through their independent legal counsel, requested in writing and received information regarding the proposed Gateway Transaction and its impact on the provision of services by Gateway to the Nuveen Gateway Funds.

The Independent Board Members received, well in advance of the July Meeting, materials provided by Gateway and Nuveen which outlined, among other things:

the structure and terms of the Gateway Transaction, including the ownership structure of Natixis GAM following the closing of the Gateway Transaction and the financing arrangements that will exist for New Gateway following the Gateway Transaction;

the strategic plan for New Gateway following the Gateway Transaction;

background information regarding Natixis GAM, including its or its affiliates experience providing advisory and/or sub-advisory services to registered investment companies, financial condition, and regulatory or litigation history;

any anticipated changes in the operations of Gateway following the Gateway Transaction, including changes to Gateway's day-to-day management and infrastructure that are relevant to the services provided to the Nuveen Gateway Funds, the ability to provide sub-advisory services to the Nuveen Gateway Funds and to interact with NAM, as Adviser to the Nuveen Gateway Funds;

any changes or additions to senior management or the key personnel of Gateway who work on Nuveen Gateway Fund-related matters (including anticipated changes to portfolio management and compliance personnel); any retention or incentive arrangements for such persons; and, if new personnel are assigned to the Nuveen Gateway Funds, their experience and background;

any anticipated effect on each Nuveen Gateway Fund's expense ratio (including changes to sub-advisory fees) following the Gateway Transaction;

any benefits or undue burdens imposed on the Nuveen Gateway Funds as a result of the Gateway Transaction;

the nature, quality and extent of the sub-advisory services expected to be provided to the Nuveen Gateway Funds following the Gateway Transaction, changes to any existing sub-advisory services and policies affecting the Nuveen Gateway Funds, and any cost-cutting efforts, if any, that may impact such services or policies;

whether the Gateway Transaction will result in an increase in assets to be managed by the Nuveen Gateway Funds portfolio managers;

any conflicts of interest that may arise for Gateway or that Natixis GAM or its affiliates may have with respect to the Nuveen Gateway Funds;

the costs associated with obtaining necessary shareholder approvals, and who would bear those costs; and

from legal counsel, a memorandum describing the applicable laws, regulations and duties in approving advisory contracts, including, in particular, with respect to a change of control.

At the July Meeting, representatives of Nuveen made a presentation and responded to questions. Following the presentations and discussions of the materials presented to the Board, the Independent Board Members met in executive session with their counsel. As outlined in more detail below, the Independent Board Members considered all factors they believed relevant with respect to each Nuveen Gateway Fund, including the impact that the Gateway Transaction could be expected to have on the following: (a) the nature, extent and

quality of services to be provided; (b) the investment performance of the Nuveen Gateway Funds; (c) the costs of the services and profits to be realized by Gateway; (d) the extent to which economies of scale would be realized; and (e) whether fee levels reflect those economies of scale for the benefit of investors. As noted above, the Board Members had recently completed their annual review of the Original Gateway Sub-Advisory Agreements at the May Meeting and many of the factors considered at the annual review were applicable to their evaluation of the New Gateway Sub-Advisory Agreements. Accordingly, in evaluating the New Gateway Sub-Advisory Agreements, the Board Members relied upon their knowledge and experience with Gateway and considered the information received and their evaluations and conclusions drawn at the annual review. The Independent Board Members evaluated all information available to them on a Fund-by-Fund basis, and their determinations were made separately in respect of each Nuveen Gateway Fund.

A. Nature, Extent and Quality of Services

In evaluating the nature, quality and extent of the services expected to be provided by New Gateway under the New Gateway Sub-Advisory Agreements, the Independent Board Members considered, among other things, the expected impact, if any, of the Gateway Transaction on the operations, facilities, organization and personnel of Gateway; the potential implications of regulatory restrictions on the Funds following the Gateway Transaction; the ability of New Gateway to perform its duties after the Gateway Transaction; and any anticipated changes to the current investment and other practices of the Nuveen Gateway Funds.

The Board noted that the terms of each New Gateway Sub-Advisory Agreement, including fees payable thereunder, are substantially identical to those of the Original Gateway Sub-Advisory Agreement relating to the same Fund, except for the date of effectiveness. The Board considered that the advisory services to be provided by New Gateway to each Nuveen Gateway Fund under the New Gateway Sub-Advisory Agreements are the same as the Original Gateway Sub-Advisory Agreements. The fees under the New Gateway Sub-Advisory Agreements are the same as the Original Gateway Sub-Advisory Agreements. (However, it was noted that because the sub-advisory fees for Equity Premium Income and Equity Premium Opportunity are based on a percentage of the advisory fee to NAM, the modified complex-wide fee schedule described above will also impact the sub-advisory fees to be collected by Gateway.) The Board Members further noted that all of Gateway's senior management staff will continue to serve in their current capacities following the Gateway Transaction. The Board Members noted that the investment team is expected to remain in place under extended-term employment agreements. The Board Members considered and are familiar with such personnel's qualifications, skills and experience. Further, the Board Members noted that changes to Gateway's infrastructure relevant to the services provided to the Nuveen Gateway Funds were not planned or anticipated. New Gateway will continue to operate as a separate, stand-alone registered investment adviser, independent from Natixis GAM's other investment management affiliates. The Board Members also noted that there were not any planned cost cutting measures that could be expected to reduce the nature, extent, or quality of sub-advisory services provided to the Nuveen Gateway Funds. After consideration of the foregoing, the Board Members concluded that no diminution in the nature, quality and extent of services provided to the Nuveen Gateway Funds and their shareholders is expected.

In addition to the above, the Board Members considered potential changes in the operations of the Nuveen Gateway Funds. In this regard, the Board Members considered the potential effect

of regulatory restrictions on the Nuveen Gateway Funds' transactions with affiliated persons. The Board Members noted Gateway's representations that it will implement policies and procedures to prevent trading with affiliated firms on behalf of the Nuveen Gateway Funds, but does not expect the foregoing to have any impact as the firms that will be affiliated with New Gateway generally are not common trading partners used for those Funds. In addition to regulatory restrictions considered by the Board, the Board Members also considered whether a significant increase in assets under management could impact the management of the Nuveen Gateway Funds. While New Gateway will continue to seek increases in assets under management, due to the depth of volume in the markets its strategy operates, Gateway did not believe a significant increase in assets under management would affect its capacity to manage the Nuveen Gateway Funds. The Board Members also considered potential conflicts of interest that could arise between the Nuveen Gateway Funds and the various parties to the Gateway Transaction, noting that Gateway did not believe any conflict of interest arose as a result of the Gateway Transaction.

Based on its review along with its considerations regarding services at the annual review, the Board concluded that the Gateway Transaction was not expected to adversely affect the nature, quality or extent of services provided and that the expected nature, quality and extent of such services supported approval of the New Gateway Sub-Advisory Agreements.

B. Performance of the Funds

With respect to the performance of the Nuveen Gateway Funds, the Board considered that the portfolio management personnel responsible for the management of the Funds' portfolios were expected to continue to manage the portfolios following the completion of the Gateway Transaction.

In addition, the Board Members recently reviewed the Nuveen Gateway Funds' performance at the May Meeting as described above and determined that such performance was satisfactory or better. Further, the investment policies and strategies were not expected to change as a result of the Gateway Transaction.

In light of the foregoing factors, along with the prior findings regarding performance at the annual review, the Board concluded that its findings with respect to performance supported approval of the New Gateway Sub-Advisory Agreements.

C. Fees, Expenses and Profitability

As described in more detail above, during the annual review the Board Members considered, among other things, the management fees and expenses of the Nuveen Gateway Funds, the breakpoint schedules, and comparisons of such fees and expenses with peers. The Board also considered the sub-advisory arrangements of the Nuveen Gateway Funds. In considering the fees of Gateway at the annual review, the Board Members considered the pricing schedule or fees that the Sub-Adviser charges for similar investment management services for other fund sponsors or clients, as available. The Board also noted that as Gateway is unaffiliated with Nuveen, the sub-advisory fees were the result of arm's-length negotiations. At the annual review, the Board Members determined that the Nuveen Gateway Funds' advisory fees and expenses were reasonable. In evaluating the sub-advisory fees and profitability of Gateway under the New Gateway Sub-Advisory Agreements, the Board Members considered their prior conclusions at the annual review and whether the sub-advisory fees or other expenses would

change as a result of the Gateway Transaction. As noted, the sub-advisory fee schedules under each New Gateway Sub-Advisory Agreement are the same as those of the Original Gateway Sub-Advisory Agreement relating to the same Nuveen Gateway Fund. Based on information provided, the Board does not anticipate that the Gateway Transaction will have any effect on the Nuveen Gateway Funds' expense ratios. In light of the foregoing and taking into consideration the Board's prior evaluation of fees and expenses at the annual renewal, the Board determined that the sub-advisory fees and expenses were reasonable.

While it is difficult to predict with any degree of certainty the impact of the Gateway Transaction on Gateway's profitability, at the recent annual review, the Board Members were satisfied that the level of profitability for its sub-advisory activities was reasonable. As noted, there is no change to the sub-advisory fee schedule for the Nuveen Gateway Funds. Further, as New Gateway will continue to operate as an autonomous organization, separate and distinct from Natixis GAM's other investment management affiliates, no economies of scale relating to the provision of sub-advisory services to the Nuveen Gateway Funds are anticipated in connection with the Gateway Transaction. Based on their review and given their considerations at the annual review, the Board Members were satisfied that Gateway's level of profitability for its sub-advisory activities continues to be reasonable.

D. Economies of Scale and Whether Fee Levels Reflect These Economies of Scale

As noted, New Gateway will continue to operate as an autonomous entity, separate from other Natixis GAM's other investment management affiliates. Accordingly economies of scale were not anticipated to be achieved in connection with the Gateway Transaction. In addition, the Board Members have been cognizant of the benefits from economies of scale and considered the breakpoint schedule in the New Gateway Sub-Advisory Agreements. In addition, as described above, the Board has also adopted a complex-wide fee arrangement to provide additional savings for shareholders as assets in the complex grow. At the July Meeting, the Board recently approved a modified complex-wide fee schedule as described above under Board Considerations, Section II, Paragraph D: Approval of the New Investment Management Agreements and New Sub-Advisory Agreements Economies of Scale and Whether Fee Levels Reflect These Economies of Scale. Accordingly, the Board Members believe that the breakpoint schedules and revised complex-wide fee schedule are appropriate and desirable in ensuring that shareholders participate in the benefits derived from economies of scale.

E. Indirect Benefits

During their recent annual review, the Board Members considered any indirect benefits that Gateway may receive as a result of its relationship with the Nuveen Gateway Funds. As the policies and operations of Gateway are not anticipated to change significantly after the Gateway Transaction, such indirect benefits should remain after the Gateway Transaction. In this regard, the Board Members considered, among other things, whether Gateway received any benefits from soft dollar arrangements. The Board has noted that, while Gateway may select brokers that provide it with research services, it is Gateway's current practice not to receive soft dollar credits in connection with trades executed for the Nuveen Gateway Funds it advises but it may seek to do so in the future. The Board Members further considered any additional indirect benefits to be received by Gateway or its affiliates after the Gateway Transaction. The Board Members noted that it was not expected that Natixis GAM would

receive any direct benefits from the Nuveen Gateway Funds as a result of the Gateway Transaction. Gateway does not currently trade securities for the Nuveen Gateway Funds with any affiliate of Gateway or Natixis GAM and has represented that it has no intention to do so in the future. Other than Gateway's sub-advisory relationship with the Nuveen Gateway Funds, Gateway and Natixis GAM have no other current or anticipated relation with the Funds.

F. Other Considerations

In addition to the factors above, the Board Members also considered the following with respect to the Nuveen Gateway Funds:

the Nuveen Gateway Funds would not incur any costs in seeking the necessary shareholder approvals for the New Gateway Sub-Advisory Agreements;

the reputation, financial strength and resources of Natixis GAM; and

the philosophy of Natixis GAM to permit Gateway to continue to operate independently, permitting Gateway to manage the Nuveen Gateway Funds in the same manner as currently done.

G. Conclusion

The Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, unanimously concluded that the terms of the New Gateway Sub-Advisory Agreements are fair and reasonable, that the sub-advisory fees therein are reasonable in light of the services to be provided to each Nuveen Gateway Fund and that the New Gateway Sub-Advisory Agreements be approved and recommended to shareholders.

4. Election of Board Members by Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income, which are holding their Annual Meetings of shareholders:

Pursuant to the organizational documents of each Fund, each 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. For each Fund, under normal circumstances, holders of Preferred Shares 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 shall have been duly elected and qualified.

- (a) two (2) Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Current Board Members Judith M. Stockdale and Carole E. Stone have been designated as Class I Board Members, and as nominees for election as Board Members at this year's Annual Meeting of shareholders for a term expiring at the annual meeting of shareholders in 2010 or until their successors have been duly elected and qualified. Board Members Robert P. Bremner, Jack B. Evans, William C. Hunter and David J. Kundert (except for Real Estate and

Diversified Dividend of which Mr. Kundert is not a Board Member) are current and continuing Board Members. Board Members Hunter and Kundert (except for Real Estate and Diversified Dividend of which Mr. Kundert is not a Board Member) have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2008 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 2009 or until their successors have been duly elected and qualified.

- (b) two (2) Board Members are to be elected by holders of Preferred Shares, all series voting together as a single class. Current Board Members William J. Schneider and Timothy R. Schwertfeger are nominees for election by holders of Preferred Shares for a term expiring at the next annual meeting of shareholders in 2008 or until their successors have been duly elected and qualified.

The other Funds described in this proxy statement are not holding their annual meeting of shareholders at this time and are not electing Board Members at this Meeting.

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

It is the intention of the persons named in the enclosed proxy to vote the shares represented thereby for the election of the nominees listed 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.

All of the Board Member nominees were last elected to Floating Rate, Floating Rate Income Opportunity, Tax-Advantaged Floating Rate and Senior Income Boards at the annual meeting of shareholders for each Fund held on November 14, 2006, with the exception of Ms. Stone. In December 2006, Ms. Stone was appointed to each Fund's Board effective January 1, 2007 and designated as a Class I Board Member. Ms. Stone is presented in this Joint Proxy Statement as a nominee for election by shareholders and was recommended to the nominating and governance committee of each Fund's Board by a third party search firm who received Ms. Stone's name from an Independent Board Member (as defined below).

Other than Mr. Schwertfeger, all Board Member nominees are not interested persons, as defined in the 1940 Act, of the Funds or the Adviser and have never been an employee or director of Nuveen, the Adviser's parent company, or any affiliate. Accordingly, such Board Members are deemed Independent Board Members.

The Board unanimously recommends that holders of Common and Preferred Shares vote FOR the election of the nominees Stockdale and Stone and unanimously recommends that holders of Preferred Shares vote FOR the election of nominees Schneider and Schwertfeger.

Board Nominees/Board Members

Name, Address and Birth Date	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
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Nominees/Board Members who are not interested persons of the Fund

Robert P. Bremner c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	Board Member; Lead Independent Director	Term: Class III Board Member until 2009 Length of Service: Since 1996; Lead Independent Director Since 2005	Private Investor and Management Consultant.	176	N/A
Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/22/48)	Board Member	Term: Class III Board Member until 2009 Length of Service: Since 1999	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Vice Chairman, United Fire Group, a publicly held company; Member of the Board of Regents for the State of Iowa University System; Director, Gazette Companies; Life Trustee of Coe College and Iowa College Foundation; Member of the Advisory Council of the Department of Finance in the Tippie College of Business, University of Iowa; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of	176	See Principal Occupation Description

Chicago; formerly, President and Chief Operating Officer, SCI Financial Group, Inc., a regional financial services firm.

<p>William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (3/6/48)</p>	<p>Board Member</p>	<p>Term: Class II Board Member until 2008</p> <p>Length of Service: Since 2004</p>	<p>Dean, Tippie College of Business, University of Iowa (since July 2006); Director, Credit Research Center at Georgetown University; Director (since 2004) of Xerox Corporation, a publicly held company; formerly, (2003-2006), Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut; formerly, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director, SS&C Technologies, Inc. (May 2005-October 2005).</p>	<p>176</p>	<p>See Principal Occupation Description</p>
<p>David J. Kundert⁽²⁾ c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/28/42)</p>	<p>Board Member</p>	<p>Term: Class II Board Member until 2008</p> <p>Length of Service: Since 2005</p>	<p>Director, Northwestern Mutual Wealth Management Company; retired (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; Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board</p>	<p>174</p>	<p>See Principal Occupation Description</p>

of Directors, Milwaukee
Repertory Theater.

Name, Address and Birth Date	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
William J. Schneider c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/24/44)	Board Member and Nominee	Term: Annual (if elected) Length of Service: Since 1996	Chairman, Miller-Valentine Partners Ltd., a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired 2004) of Miller-Valentine Group; formerly, Vice President, Miller-Valentine Realty; Director, Chair of the Finance Committee and Member of the Audit Committee of Premier Health Partners, the not-for-profit parent company of Miami Valley Hospital; Vice President of the Dayton Philharmonic Orchestra Association; Board Member, Regional Leaders Forum which promotes cooperation on economic development issues; formerly, Director, Dayton Development Coalition; formerly, Member, Community Advisory Board, National City Bank, Dayton, Ohio and Business Advisory Council, Cleveland Federal Reserve Bank.	176	See Principal Occupation Description
				176	N/A

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Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (12/29/47)	Board Member and Nominee	Term: Class I Board Member until 2010 (if elected)	Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (from 1990 to 1994).	Length of Service: Since 1997		
Carole E. Stone c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (6/28/47)	Board Member and Nominee	Term: Class I Board Member until 2010 (if elected)	Director, Chicago Board Options Exchange (since 2006); Chair, New York Racing Association Oversight Board (since 2005); Commissioner, NYSE Commission on Public Authority Reform (since 2005); formerly Director, New York State Division of the Budget (2000-2004), Chair, Public Authorities Control Board (2000-2004) and Director, Local Government Assistance Corporation (2000-2004).	Length of Service: Since 2007	176	See Principal Occupation Description

Nominee who is an interested person of the Fund

Timothy R. Schwertfeger ⁽³⁾ 333 West Wacker Drive Chicago, IL 60606 (3/28/49)	Chairman of the Board, Board Member and Nominee	Term: Annual (if elected)	Director and Chairman (since 1996) and Non-Executive Chairman (since July 1, 2007), formerly, Chief Executive Officer (1996-June 30, 2007) of Nuveen Investments, Inc., Nuveen Asset Management and certain other subsidiaries of Nuveen Investments, Inc.; formerly, Director (1996-2006) of Institutional Capital Corporation.	Length of Service: Since 1996	176	N/A
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(1) Length of Service indicates the year in which the individual became a Board Member of a fund in the Nuveen fund complex.

(2) Mr. Kundert is not a Board Member of Real Estate or Diversified Dividend.

- (3) Interested person as defined in the 1940 Act, by reason of being Non-Executive Chairman of Nuveen Investments, Inc. and having previously served in various other capacities with Nuveen Investments, Inc. and its subsidiaries.

For each Fund electing Board Members, 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 December 31, 2006 is set forth in Appendix A. For each Fund, 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 December 31, 2006 is set forth in Appendix A. On December 31, 2006, Board

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Members and executive officers as a group beneficially owned approximately 1,400,000 shares of all funds managed by NAM (including shares held by Board Members through the Deferred Compensation Plan for Independent Board Members and by executive officers in Nuveen's 401(k)/profit sharing plan). Each Board Member's individual beneficial shareholdings of each Fund constituted less than 1% of the outstanding shares of each Fund. As of the Record Date, the Board Members and executive officers as a group beneficially owned less than 1% of the outstanding shares of each Fund. As of the Record Date, no shareholder beneficially owned more than 5% of any class of shares of any Fund.

Compensation

Prior to January 1, 2007, for all Nuveen funds, Independent Board Members received a \$90,000 annual retainer plus (a) a fee of \$2,500 per day for attendance in person or by telephone at a regularly scheduled meeting of the Board; (b) a fee of \$2,000 per meeting for attendance in person where such in-person attendance is required and \$1,000 per meeting for attendance by telephone or in person where in-person attendance is not required at a special, non-regularly scheduled board meeting; (c) a fee of \$1,500 per meeting for attendance in person or by telephone at an audit committee meeting; (d) a fee of \$1,500 per meeting for attendance in person at a compliance, risk management and regulatory oversight committee meeting where in-person attendance is required and \$1,000 per meeting for attendance by telephone or in person where in-person attendance is not required; (e) a fee of \$1,000 per meeting for attendance in person or by telephone for a meeting of the dividend committee; and (f) a fee of \$500 per meeting for attendance in person at all other committee meetings (including shareholder meetings) on a day on which no regularly scheduled board meeting is held in which 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. In addition to the payments described above, the Lead Independent Director received \$20,000, the chairpersons of the audit committee and the compliance, risk management and regulatory oversight committee received \$7,500 and the chairperson of the nominating and governance committee received \$5,000 as additional retainers to the annual retainer paid to such individuals. Independent Board Members also received a fee of \$2,000 per day for site visits on days on which no regularly scheduled board meeting is held to entities that provide services to the Nuveen funds. 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 were \$1,000 per meeting for attendance in person at any ad hoc committee meeting 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 were allocated among the funds managed by the Adviser, on the basis of relative net asset sizes. The Board Member affiliated with Nuveen and the Adviser served without any compensation from the Funds.

Effective January 1, 2007, for all Nuveen funds, Independent Board Members receive a \$95,000 annual retainer plus (a) a fee of \$3,000 per day for attendance in person or by telephone at a regularly scheduled meeting of the Board; (b) a fee of \$2,000 per meeting for attendance in person or by telephone where in-person attendance is required and \$1,500 per meeting for attendance by telephone or in person where in-person attendance is not required at a special,

non-regularly scheduled board meeting; (c) a fee of \$1,500 per meeting for attendance in person or by telephone at an audit committee meeting; (d) a fee of \$1,500 per meeting for attendance in person or by telephone at a regularly scheduled compliance, risk management and regulatory oversight committee meeting; (e) a fee of \$1,500 per meeting for attendance in person at a non-regularly scheduled compliance, risk management and regulatory oversight committee meeting where in-person attendance is required and \$1,000 per meeting for attendance by telephone or in person where in-person attendance is not required, except that the chairperson of the compliance, risk management and regulatory oversight committee may at any time designate a non-regularly scheduled meeting of the committee as an in-person meeting for the purposes of fees to be paid; (f) a fee of \$1,000 per meeting for attendance in person or by telephone for a meeting of the dividend committee; and (g) a fee of \$500 per meeting for attendance in person at all other committee meetings (including shareholder meetings) on a day on which no regularly scheduled board meeting is held in which 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. In addition to the payments described above, the Lead Independent Director receives \$25,000, the chairpersons of the audit committee and the compliance, risk management and regulatory oversight committee receive \$7,500 and the chairperson of the nominating and governance committee receives \$5,000 as additional retainers to the annual retainer paid to such individuals. Independent Board Members also receive a fee of \$2,000 per day for site visits to entities that provide services to the Nuveen funds on days on which no regularly scheduled 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 at any ad hoc committee meeting 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 funds managed by the Adviser, on the basis of relative net asset sizes although fund management may, in its discretion, establish a minimum amount to be allocated to each fund. The Board Member affiliated with Nuveen and the Adviser serves without any compensation from the Funds.

The boards of certain Nuveen funds (the Participating Funds) established a Deferred Compensation Plan for Independent Board Members (Deferred Compensation Plan). Under the Deferred Compensation Plan, Independent Board Members of the Participating Funds may defer receipt of all, or a portion, of the compensation they earn for their services to the Participating Funds, in lieu of receiving current payments of such compensation. Any deferred amount is treated as though an equivalent dollar amount had been invested in shares of one or more eligible Nuveen funds.

For each Fund electing Board Members, the table below shows, for each Independent Board Member, the aggregate compensation (i) paid by each Fund to each Board Member for its last fiscal year and (ii) paid (including deferred fees) for service on the boards of the Nuveen open-end and closed-end funds managed by the Adviser for the calendar year ended 2006. Mr. Schwertfeger, a Board Member who is an interested person of the Funds, does not receive any compensation from the Funds or any Nuveen funds.

Aggregate Compensation from the Funds⁽¹⁾⁽³⁾

Fund	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone⁽²⁾
Floating Rate	\$ 3,064	\$ 2,841	\$ 1,670	\$ 1,664	\$ 2,370	\$ 2,089	\$ 1,086
Floating Rate Income Opportunity	1,843	1,709	1,005	1,001	1,426	1,257	654
Tax-Advantaged Floating Rate Senior Income	793 1,157	767 1,072	608 630	621 628	809 894	619 789	130 412
Total Compensation from Nuveen Funds Paid to Board Members	177,099	180,111	146,018	144,759	171,879	148,510	

- (1) Aggregate compensation numbers are based on a combination of the compensation schedules in effect prior to and after January 1, 2007.
- (2) In December 2006, Ms. Stone was appointed to each Fund's Board effective January 1, 2007.
- (3) Includes deferred fees. Pursuant to a deferred compensation agreement with certain of the Funds, deferred amounts are treated as though an equivalent dollar amount has been invested in shares of one or more eligible Nuveen funds. Total deferred fees for the Funds (including the return from the assumed investment in the eligible Nuveen funds) payable are:

Fund	Deferred Fees						
	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone
Floating Rate	\$ 371	\$ 585	\$ 1,670	\$ 1,664	\$ 2,370	\$ 1,041	\$
Floating Rate Income Opportunity	223	352	1,005	1,001	1,426	626	
Tax-Advantaged Floating Rate	128	204	608	621	809	388	
Senior Income	140	221	630	628	894	392	

Nuveen maintains a charitable matching contributions program to encourage the active support and involvement of individuals in the civic activities of their community. The Independent Board Members of the funds managed by the Adviser were eligible to participate in the charitable contributions program of Nuveen until December 31, 2006. Under the matching contributions program, Nuveen would match the personal contributions of a Board Member to Section 501(c)(3) organizations up to an aggregate maximum amount of \$10,000 during any calendar year.

Committees

The Board of each Fund has five standing committees: the executive committee, the audit committee, the nominating and governance committee, the dividend committee and the compliance, risk management and regulatory oversight committee.

Robert P. Bremner, Judith M. Stockdale and Timothy R. Schwertfeger, Chair, serve as members of the executive committee of each Fund. The executive committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board; provided that the scope of the powers of the executive committee, unless otherwise specifically authorized by the full Board, is limited to: (i) emergency matters where assembly of the full Board is impracticable (in which case management will take all reasonable steps to quickly notify each individual Board Member of the actions taken by the executive committee) and (ii) matters of an administrative or ministerial nature. The number of executive committee meetings of each Fund electing Board Members held during its last fiscal year is shown in Appendix K.

Jack B. Evans, Judith M. Stockdale and Timothy R. Schwertfeger, Chair, are current members of the dividend committee of each Fund. The dividend committee is authorized to declare distributions on the Fund's shares including, but not limited to, regular and special dividends, capital gains and ordinary income distributions. The number of dividend committee meetings of each Fund electing Board Members held during its last fiscal year is shown in Appendix K.

William C. Hunter, William J. Schneider, Chair, Judith M. Stockdale and Carole E. Stone are current members of the compliance, risk management and regulatory oversight committee of each Fund. The compliance, risk management and regulatory oversight committee is responsible for the oversight of compliance issues, risk management, and other regulatory matters affecting the Funds which are not otherwise the jurisdiction of the other Board committees. The number of compliance, risk management and regulatory oversight committee meetings of each Fund electing Board Members held during its last fiscal year is shown in Appendix K.

Each Fund's Board has an audit committee, in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the 1934 Act), that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the New York Stock Exchange and American Stock Exchange, as applicable. Robert P. Bremner, Jack B. Evans (Chair for Real Estate and Diversified Dividend), David J. Kundert (except with respect to Real Estate and Diversified Dividend of which Funds Mr. Kundert is not a Board Member), Chair and William J. Schneider are current members of the audit committee of each Fund. The audit committee is responsible for the oversight and monitoring of (1) the accounting and reporting policies, procedures and practices and the audit of the financial statements of the Funds, (2) the quality and integrity of the financial statements of the Funds and (3) the independent registered public accounting

firm's qualifications, performance and independence. The audit committee reviews the work and any recommendations of the Funds' independent registered public accounting firm. Based on such review, it is authorized to make recommendations to the Board. The audit committee is also responsible for the oversight of the Pricing Procedures of the Funds and the internal Valuation Group. The Boards have adopted a written Audit Committee Charter that conforms to the listing standards of the New York Stock Exchange and American Stock Exchange. A copy of the Audit Committee Charter is attached to the proxy statement as Appendix L. The number of audit committee meetings of each Fund electing Board Members held during its last fiscal year is shown in Appendix K.

Each Fund has a nominating and governance committee that is composed entirely of Independent Board Members who are also independent as defined by New York Stock Exchange or American Stock Exchange listing standards, as applicable. Robert P. Bremner, Chair, Jack B. Evans, William C. Hunter, David J. Kundert (except with respect to Real Estate and Diversified Dividend of which Funds Mr. Kundert is not a Board Member), William J. Schneider, Judith M. Stockdale and Carole E. Stone are current members of the nominating and governance committee of each Fund. The purpose of the nominating and governance committee is to seek, identify and recommend to the Board qualified candidates for election or appointment to each Fund's Board. In addition, the committee oversees matters of corporate governance, including the evaluation of Board performance and processes, and assignment and rotation of committee members, and the establishment of corporate governance guidelines and procedures, to the extent necessary or desirable. The committee operates under a written charter adopted and approved by the Boards of each Fund, a copy of which is available on the Funds' website at www.nuveen.com/etf/products/fundgovernance.aspx. The number of nominating and governance committee meetings of each Fund electing Board Members held during its last fiscal year is shown in Appendix K.

The nominating and governance committee looks to many sources for recommendations of qualified candidates, including current Board Members, employees of the Adviser, current shareholders of the Funds, third party sources and any other persons or entities that may be deemed necessary or desirable by the committee. Shareholders of the Funds who wish to nominate a candidate to their Fund's Board should mail information to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. This information must include evidence of Fund ownership of the person or entity recommending the candidate, a full listing of the proposed candidate's education, experience, current employment, date of birth, names and addresses of at least three professional references, information as to whether the candidate is an interested person (as such term is defined in the 1940 Act) in relation to the Fund and such other information that would be helpful to the nominating and governance committee in evaluating the candidate. All satisfactorily completed information regarding candidates will be forwarded to the chairman of the nominating and governance committee and the outside counsel to the Independent Board Members. Recommendations for candidates to the Board will be evaluated in light of whether the number of Board members is expected to change and whether the Board expects any vacancies. All nominations from Fund shareholders will be acknowledged, although there may be times when the committee is not actively recruiting new Board members. In those circumstances nominations will be kept on file until active recruitment is under way.

The nominating and governance committee sets appropriate standards and requirements for nominations to the Board. In considering a candidate's qualifications, each candidate must meet certain basic requirements, including relevant skills and experience, time availability and, if qualifying as an Independent Board Member candidate, independence from the Adviser or other service providers. These experience requirements may vary depending on the current composition of the Board, since the goal is to ensure an appropriate range of skills and experience, in the aggregate. All candidates must meet high expectations of personal integrity, governance experience and professional competence that are assessed on the basis of personal interviews, recommendations, or direct knowledge by committee members. The committee may use any process it deems appropriate for the purpose of evaluating candidates, which process may include, without limitation, personal interviews, background checks, written submissions by the candidates and third party references. There is no difference in the manner in which the nominating and governance committee evaluates candidates when the candidate is submitted by a shareholder. The nominating and governance committee reserves the right to make the final selection regarding the nomination of any prospective Board member.

The Independent Board Members of each Fund have appointed Robert P. Bremner as their Lead Independent Director. The role of the Lead Independent Director is one of coordination and assuring the appropriate, effective and efficient functioning of the Board and the Board processes. Specific responsibilities may include organizing and leading Independent Board Member sessions, facilitating and ensuring an appropriate level of communication among the Independent Board Members, leading the assessment of the Board's effectiveness, and working with the Adviser's staff and outside counsel on board meeting agendas, board material and workshops for Independent Board Members to ensure that the priorities of the Independent Board Members are addressed.

The number of regular quarterly meetings and special meetings held by the Board of each Fund electing Board Members during the Fund's last fiscal year is shown in Appendix K. 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/etf/products/fundgovernance.aspx.

The Officers

The following table sets forth information as of July 31, 2007 with respect to each officer of the Funds other than Mr. Schwertfeger (who is a Board Member and is included in the table relating to nominees for the Board). Officers receive no compensation from the Funds. The officers are elected by the Board on an annual basis to serve until successors are elected and qualified.

Name, Address and Birthdate	Position(s) Held with Fund	Term of Office and Length of Time Served ⁽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 (9/9/56)	Chief Administrative Officer	Term: Annual Length of Service: Since 1988	Managing Director (since 2002), Assistant Secretary and Associate General Counsel, formerly, Vice President of Nuveen Investments, LLC; Managing Director (since 2002), Assistant Secretary and Associate General Counsel, formerly, Vice President of Nuveen Asset Management; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Assistant Secretary of NWQ Investment Management Company, LLC (since 2002); Vice President and Assistant Secretary of Nuveen Investments Advisers Inc. (since 2002); Managing Director, Associate General Counsel and Assistant Secretary of Rittenhouse Asset Management, Inc. and Symphony Asset Management LLC (since 2003); Assistant Secretary, Santa Barbara Asset Management LLC and Tradewinds Global Investors, LLC (since 2006); previously, Managing Director (from 2002-2004), General Counsel and Assistant Secretary	176

of Nuveen Advisory Corp. and
Nuveen Institutional
Advisory Corp.⁽²⁾; Chartered
Financial Analyst.

Name, Address and Birthdate	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
William Adams IV 333 West Wacker Drive Chicago, IL 60606 (6/9/55)	Vice President	Term: Annual Length of Service: Since 2007	Executive Vice President, U.S. Structured Products of Nuveen Investments, LLC (since 1999).	119
Julia L. Antonatos 333 West Wacker Drive Chicago, IL 60606 (9/22/63)	Vice President	Term: Annual Length of Service: Since 2004	Managing Director (since 2005), formerly, Vice President, formerly, Assistant Vice President of Nuveen Investments, LLC; Chartered Financial Analyst.	176
Cedric H. Antosiewicz 333 West Wacker Drive Chicago, IL 60606 (1/11/62)	Vice President	Term: Annual Length of Service: Since 2007	Managing Director (since 2004), formerly, Vice President (1993-2004) of Nuveen Investments, LLC.	119
Michael T. Atkinson 333 West Wacker Drive Chicago, IL 60606 (2/3/66)	Vice President and Assistant Secretary	Term: Annual Length of Service: Since 2002	Vice President (since 2002) of Nuveen Investments, LLC.	176
Peter H. D. Arrigo 333 West Wacker Drive Chicago, IL 60606 (11/28/67)	Vice President and Treasurer	Term: Annual Length of Service: Since 1999	Vice President and Treasurer (since 1999) of Nuveen Investments, LLC and of Nuveen Investments, Inc.; Vice President and Treasurer of Nuveen Asset Management (since 2002) and of Nuveen Investments Advisers Inc. (since 2002); Assistant Treasurer of NWQ Investments Management Company, LLC. (since 2002); Vice President and Treasurer (since 2003) of Nuveen Rittenhouse Asset Management, Inc.; and Symphony Asset Management LLC; Treasurer (since 2006), Santa Barbara Asset Management LLC and Tradewinds Global Investors, LLC; formerly, Vice President and Treasurer (from 1999 to 2004) of Nuveen	176

Advisory Corp. and Nuveen
Institutional Advisory Corp.⁽²⁾;
Chartered Financial Analyst.

**Term of
Office and**

**Number of
Portfolios
in Fund**