GLEACHER & COMPANY, INC.
Form PRRN14A
May 10, 2013

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. 3)

Filed by the Registrant ¨ Filed by a Party other than the Registrant x

Check the appropriate box:

x Preliminary Proxy Statement

¨ Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

¨ Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to § 240.14a-12

GLEACHER & COMPANY, INC.

(Name of Registrant as Specified In Its Charter)

MatlinPatterson FA Acquisition LLC

MatlinPatterson LLC

MatlinPatterson PE Holdings LLC

MP II Preferred Partners L.P.

MP Preferred Partners GP LLC

David J. Matlin

Mark R. Patterson

Christopher R. Pechock

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

With copies to:

John M. Newell, Esq.

Latham & Watkins LLP

505 Montgomery Street, Suite 2000

San Francisco, CA 94111

(415) 391-0600

Payment of Filing Fee (check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rule 14a-6(i)(4) and 0-11.

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

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

PRELIMINARY COPY, SUBJECT TO COMPLETION

DATED MAY 10, 2013

2013 ANNUAL MEETING OF STOCKHOLDERS

OF

GLEACHER & COMPANY, INC.

PROXY STATEMENT

OF

MATLINPATTERSON FA ACQUISITION LLC

PLEASE SIGN, DATE AND MAIL THE ENCLOSED GOLD PROXY CARD TODAY

This Proxy Statement and the enclosed **GOLD** proxy card are being furnished by MatlinPatterson FA Acquisition LLC, MP II Preferred Partners L.P., MP Preferred Partners GP LLC, MatlinPatterson PE Holdings LLC, MatlinPatterson LLC, David J. Matlin, Mark R. Patterson and Christopher R. Pechock (collectively, MatlinPatterson , we or us) in connection with the solicitation of proxies (the Proxy Solicitation) from th stockholders of Gleacher & Company, Inc. (the Company or Gleacher).

For the reasons set forth in this Proxy Statement, we believe the Company s stockholders deserve a choice in the election of the board of directors of the Company (the Board). We are therefore seeking your support at the upcoming annual meeting of stockholders, scheduled to be held at the offices of the Company, located at 1290 Avenue of the Americas, New York, NY 10104, at 9:00 a.m., local time, on May 23, 2013 (including at any adjournments or postponements thereof and at any meeting called in lieu thereof, the Annual Meeting), with respect to the following (each, a Proposal and, collectively, the Proposals):

1. To elect MatlinPatterson s five director nominees: Mark R. Patterson, Christopher R. Pechock, Jaime Lifton, Keith B. Hall, and Marshall Cohen, for a term of one year;

2. To elect MatlinPatterson s three additional director nominees, if validly nominated at the Annual Meeting by MatlinPatterson: Edwin M. Banks, Nasir A. Hasan and Carl W. McKinzie;

3. To consider and act upon a proposal to amend the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split;

4. To consider and act upon a proposal to amend, if and when the reverse stock split is approved and effected, the Company s Amended and Restated Certificate of Incorporation to proportionally decrease the number of authorized shares of the Company s common stock;

5. To approve, on an advisory basis, the compensation of the Company s named executive officers;

6. To ratify the appointment of PricewaterhouseCoopers LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2013; and

7. To transact such other business that may properly come before the Annual Meeting.

The Company has set the record date for determining stockholders entitled to notice of and to vote at the Annual Meeting as April 17, 2013 (the Record Date). The mailing address of the principal executive offices of the Company is 1290 Avenue of the Americas, New York, New York 10104. Stockholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. According to the Company, as of the Record Date, there were 122,980,847 shares of Common Stock, par value $0.01 per share (the Common Stock), outstanding and entitled to vote at the Annual Meeting.

As of the Record Date and the date of this Proxy Statement, MatlinPatterson FA Acquisition LLC is the record and beneficial owner of 35,568,261 shares of Common Stock (approximately 28.9% of the outstanding shares of Common Stock). Each of the members of MatlinPatterson may be deemed to beneficially own all such shares of Common Stock.

This proxy statement and **GOLD** proxy card are first being mailed or given to the Company s stockholders on or about [May], 2013.

The Company has not nominated any candidates for election as directors at the Annual Meeting. Accordingly, please note that if you sign the White proxy card provided by the Company, your shares will not be voted in the election of directors.

At the Annual Meeting, MatlinPatterson expects to nominate five persons for election as directors: Mark A. Patterson, Christopher R. Pechock, Marshall Cohen, Jaime Lifton and Keith B. Hall. Under Proposal 1, we are soliciting your proxy to vote for these five persons for election as directors. Under certain circumstances described in further detail herein, MatlinPatterson may also nominate three more persons for election as directors: Carl W. McKinzie, Edwin M. Banks, and Nasir A. Hasan. We are also soliciting your proxy to vote for these three persons for election as directors, under Proposal 2.

As used in this proxy statement, any persons nominated by MatlinPatterson for election as directors at the Annual Meeting are referred to as the MP Nominees .

As described in more detail in the section titled PROPOSALS 1 AND 2 ELECTION OF DIRECTORS **, the shares of any stockholder who signs a GOLD proxy card will not be voted in the election of directors for one, and possibly as many as four, seats,** depending on how many persons MatlinPatterson nominates.

MatlinPatterson intends to vote the shares owned by MatlinPatterson on the Record Date FOR each of the MP Nominees that we nominate at the Annual Meeting (although we reserve the right to vote our shares for fewer than all of the MP Nominees that we nominate), FOR the proposal to amend the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split, FOR the proposal to, if and when the reverse stock split is effected, proportionally decrease the number of authorized shares of Common Stock, ABSTAIN on the advisory vote on executive compensation, and FOR the ratification of the appointment of PricewaterhouseCoopers LLP, in each case as described herein.

According to the information provided by Clinton Relational Opportunity Master Fund, L.P. and its affiliates (Clinton Group), Clinton Group has stated that it intends to nominate nine individuals for election as directors and is providing Green proxy cards for its proposed nominees, but we do not know whether it will in fact nominate individuals for election as directors at the Annual Meeting or solicit proxies for that purpose.

THIS PROXY SOLICITATION IS BEING MADE BY MATLINPATTERSON AND NOT ON BEHALF OF THE BOARD OR MANAGEMENT OF THE COMPANY, CLINTON GROUP OR ANY OTHER THIRD PARTY. MATLINPATTERSON IS NOT AWARE OF ANY OTHER MATTERS TO BE BROUGHT BEFORE THE ANNUAL MEETING OTHER THAN AS DESCRIBED HEREIN. SHOULD OTHER MATTERS, WHICH MATLINPATTERSON IS NOT AWARE OF A REASONABLE TIME BEFORE THE DATE OF THIS PROXY STATEMENT, BE BROUGHT BEFORE THE ANNUAL MEETING, THE PERSONS NAMED AS PROXIES IN THE ENCLOSED **GOLD** PROXY CARD WILL VOTE ON SUCH MATTERS IN THEIR DISCRETION.

MATLINPATTERSON URGES YOU TO SIGN, DATE AND RETURN THE **GOLD** PROXY CARD AS PROMPTLY AS PRACTICABLE.

IF YOU HAVE ALREADY SENT A WHITE PROXY CARD FURNISHED BY MANAGEMENT OF THE COMPANY OR A GREEN PROXY CARD (IF ANY) FURNISHED BY CLINTON GROUP, YOU MAY REVOKE THAT PROXY BY SIGNING, DATING AND RETURNING THE ENCLOSED **GOLD** PROXY CARD.

THE LATEST DATED PROXY CARD IS THE ONLY ONE THAT WILL BE USED TO VOTE YOUR SHARES. ANY PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE ANNUAL MEETING BY DELIVERING A LATER DATED PROXY OR A WRITTEN NOTICE OF REVOCATION TO MATLINPATTERSON FA ACQUISITION LLC, C/O INNISFREE M&A INCORPORATED, 501 MADISON AVENUE, 20TH FLOOR, NEW YORK, NEW YORK 10022, WHICH IS ASSISTING IN THIS PROXY SOLICITATION, OR TO THE SECRETARY OF THE COMPANY, OR BY VOTING IN PERSON AT THE ANNUAL MEETING IF YOU ARE A STOCKHOLDER OF RECORD.

If you have any questions concerning this Proxy Statement or would like additional copies, please contact:

Innisfree M&A Incorporated

501 Madison Avenue, 20th Floor

New York, NY 10022

Stockholders may call toll free: (888) 750-5834

Banks and brokers may call collect: (212) 750-5833

IMPORTANT

PLEASE READ THIS CAREFULLY

If your shares of Common Stock are registered in your own name, please vote today by signing, dating and returning the enclosed **GOLD** proxy card in the postage-paid envelope provided.

If you hold your shares through a broker or other nominee (that is, in street name), you cannot vote your shares directly but must instruct your broker or other nominee to vote your shares. Thus, if you do not give your broker or nominee specific instructions, your shares will not be voted on any matters. Accordingly, in order for your vote to count, please promptly give instructions to your bank, broker firm, dealer, trust company or other nominee to vote in favor of the election of the MP Nominees and to vote on the other Proposals. Please follow the instructions on the enclosed **GOLD** proxy card or the information forwarded by your broker or other nominee. If your bank, broker firm, dealer, trust company or other nominee provides for proxy instructions to be delivered to them by telephone or Internet, instructions will be included on the enclosed **GOLD** proxy card. We urge you to confirm in writing your instructions to the person responsible for your account and provide a copy of those instructions to MatlinPatterson FA Acquisition LLC, c/o Innisfree M&A Incorporated, 501 Madison Avenue, 20th Floor, New York, New York 10022, so that we will be aware of all instructions given and can attempt to ensure that such instructions are followed.

Execution and delivery of a proxy by a record holder of shares of Common Stock will be presumed to be a proxy with respect to all shares held by such record holder unless the proxy specifies otherwise.

Only holders of record of shares of Common Stock on the close of business on the Record Date will be entitled to vote on the Proposals. If you are a stockholder of record on the Record Date, you will retain your right to vote even if you sell your shares of Common Stock after the Record Date.

The Company has not nominated any candidates for election as directors at the Annual Meeting. Accordingly, please note that if you sign the White proxy card provided by the Company, your shares will not be voted in the election of directors.

If you have any questions regarding your **GOLD** proxy card or need assistance in executing your proxy, please contact Innisfree M&A Incorporated toll-free at (888) 750-5834 (banks and brokers call collect at (212) 750-5833).

INFORMATION ON THE PARTICIPANTS

This Proxy Solicitation is being made by MatlinPatterson FA Acquisition LLC, a Delaware limited liability company (MP FAA or the Record Holder), MP II Preferred Partners L.P. (MP II Preferred Partners), a Cayman Islands limited partnership and the holder of all the membership interests of the Record Holder, MP Preferred Partners GP LLC (MP II Preferred Partners GP), a Delaware limited liability company and the general partner of MP II Preferred Partners, MatlinPatterson PE Holdings LLC, f/k/a MatlinPatterson Asset Management LLC (MPEH), a Delaware limited liability company and as the holder of all of the membership interests in MP Preferred Partners GP, MatlinPatterson LLC (MP LLC), a Delaware limited liability company and the holder of all the membership interests of MPEH, David J. Matlin, an individual and holder of 50% of the membership interests in MP LLC, Mark R. Patterson, an individual, current director of the Company and the holder of 50% of the membership interests in MP LLC, and Christopher R. Pechock, a partner at MatlinPatterson Global Advisers LLC. In addition to the foregoing entities and persons, Marshall Cohen, Jaime Lifton, Keith B. Hall, Edwin M. Banks, Nasir A. Hasan and Carl W. McKinzie are also deemed to be participants in the solicitation (collectively, the Participants).

The business address of each of the members of MatlinPatterson is c/o MatlinPatterson Global Advisers LLC, 520 Madison Avenue, 35th Floor, New York, New York 10022-4213. The business address of each of the MP Nominees is disclosed in the section titled PROPOSALS 1 AND 2 ELECTION OF DIRECTORS on page [ ].

The principal business of: (i) the Record Holder is investing in equity and debt securities of companies; (ii) MP II Preferred Partners is investing in equity and debt securities of companies; (iii) MP II Preferred Partners GP is to serve as general partner of MP II Preferred Partners; (iv) MPEH is owning MP II Preferred Partners GP and other investment vehicles; and (v) MP LLC is owning MPEH. David J. Matlin s principal occupation is acting as Chief Executive Officer of MatlinPatterson Asset Management L.P. and Mark R. Patterson s principal occupation is acting as Chairman of MatlinPatterson Asset Management L.P. David J. Matlin and Mark R. Patterson are both citizens of the United States of America.

As of the Record Date and the date of this Proxy Statement, MP FAA is the record and beneficial owner of 35,568,261 shares of Common Stock (approximately 28.9% of the outstanding shares of Common Stock) and is a member of MatlinPatterson. Each of the members of MatlinPatterson may be deemed to beneficially own all such shares of Common Stock. Marshall Cohen, an MP Nominee, is the beneficial holder of 434,213 shares of Common Stock underlying vested but unexercised options as of February 28, 2013.

The following transactions are the only transactions during the past two years with regard to the Common Stock made by any of the Participants:

Name	Transaction Date	Number of Shares of Common Stock Purchased (Sold)
Jay Lifton	8/8/11	1,000
Jay Lifton	7/31/12	(1,000)

Messrs. Patterson and Pechock have agreements with the limited partnerships and companies managed and advised by MatlinPatterson Global Advisers LLC, whereby they are indemnified by the limited partnerships and companies for any liabilities they may incur in connection with their duties, including MatlinPatterson s solicitation of proxies for use at the Annual Meeting. Those limited partnerships and companies will also reimburse Messrs. Patterson and Pechock for any expenses that they reasonably incur in connection with MatlinPatterson s solicitation of proxies for use at the Annual Meeting. To each of the MP Nominee s knowledge, each such nominee has no arrangement or understandings with any other person pursuant to which he or she was or is to be selected as a director or nominee for election as a director of the Company.

Except as set forth in this Proxy Statement, (i) during the past ten years, no Participant has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); (ii) no Participant directly or indirectly beneficially owns any securities of the Company; (iii) no Participant owns any securities of the Company which are owned of record but not beneficially; (iv) no Participant has purchased or sold any securities of the Company during the past two years; (v) no part of the purchase price or market value of the securities of the Company owned by any Participant is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no Participant is, or within the past year was, a party to any contract, arrangements or understandings with any person with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any Participant owns beneficially, directly or indirectly, any securities of the Company; (viii) no Participant owns beneficially, directly or indirectly, any securities of any parent or subsidiary of the Company; (ix) no Participant or any of his, her or its associates was a party to any transaction, or series of similar transactions, since the beginning of the Company s last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds $120,000; (x) no Participant or any of his, her or its associates has any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates, or with respect to any future transactions to which the Company or any of its affiliates will or may be a party; and (xi) no person, including any of the Participants, who is a party to an arrangement or understanding pursuant to which the MP Nominees are proposed to be elected has a substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted on as set forth in this Proxy Statement. There are no material proceedings to which any Participant or any of his, her or its associates is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries. With respect to each of the Participants, except as set forth in this proxy statement, none of the events enumerated in Item 401(f)(1)-(8) of Regulation S-K of the Securities Exchange Act of 1934, as amended (the Exchange Act) occurred during the past ten years.

BACKGROUND OF THE SOLICITATION

MatlinPatterson is a long-term investor in the Company. It made its initial investment in the Company over five years ago, in 2007, and today is the Company s largest stockholder. MatlinPatterson currently owns 35,568,261 shares of the Company Common Stock, which constitute approximately 28.9% of the outstanding shares.

Two long-standing members of the Board of Directors of the Company, Mark R. Patterson and Christopher R. Pechock, are affiliated with MatlinPatterson. Both Messrs. Patterson and Pechock have served on the Board of the Company since 2007. Mr. Patterson is the Chairman of MatlinPatterson Asset Management L.P. Mr. Pechock is a partner of MP Global Advisors, an affiliate of MatlinPatterson.

In June 2012, the Board formed a special committee of independent directors to evaluate strategic alternatives for the Company, including a possible sale of the Company.

On August 17, 2012, the Executive Compensation Committee of the Board approved a Senior Management and Retention Plan (the Retention Plan) providing for cash payments and other benefits for four members of senior management (Thomas Hughes, John Griff, Patricia Arciero-Craig and Bryan Edmiston) if the participant s employment with the Company is terminated in connection with certain events deemed to constitute a defined Change in Control under the plan.

On August 30, 2012, the Company publicly announced that it had retained a financial advisor to assist it in exploring and evaluating strategic alternatives for the Company. In furtherance of the Company s strategic plan, the Company stated that it intended to consider a range of available options, including partnering with one or more equity investors, strategic acquisitions and divestitures, and a business combination involving the Company.

On February 15, 2013, the Company announced that it had concluded its formal strategic review process, and it had determined that the available opportunities were not in the best interests of the Company s stockholders at that time.

Also in mid-February 2013, Mr. Patterson held discussions with Bruce Rohde, the chairman of the Company s Directors and Corporate Governance Committee (the D&CG Committee), regarding the nominations of individuals that the Committee intended to make for election as directors at the 2013 Annual Meeting of stockholders. Mr. Patterson told Mr. Rohde that MatlinPatterson (i) did not intend to vote its shares for the re-election of Robert Yingling, Robert Gerard, Henry Bienen and Bruce Rohde, and (ii) would provide alternative candidates for nomination to the Board.

Mr. Rohde thereafter informed Mr. Patterson that Messrs. Yingling, Rohde, Bienen and Gerard would not stand for re-election at the Annual Meeting in May 2013 because they believed that they would not be re-elected by a vote of the stockholders. This was subsequently confirmed in a letter to the Company dated February 23, 2013.

With the vacancies on the Board that would be created by the refusal of these four directors to stand for re-election, in addition to an existing vacancy on the Board and the impending Annual Meeting of Stockholders scheduled for May 2013, MatlinPatterson believed the Company would need to recruit as many as five additional directors to serve. MatlinPatterson provided to the D&CG Committee the names of five new, qualified candidates for nomination to the Board at the 2013 Annual Meeting of stockholders and/or election to the Board prior to that meeting to fill any Board vacancies. MatlinPatterson expected that some or all of the proposed directors would be acceptable to the D&CG Committee. If some or all were not acceptable to the Committee, MatlinPatterson indicated that it would (i) propose substitute candidates to the D&CG Committee, or (ii) nominate its proposed director candidates at the Annual Meeting. To preserve its rights to nominate the proposed director candidates and certain existing directors at the Annual Meeting pursuant to the Company s bylaws, on February 23, 2013, MatlinPatterson delivered a written notice to the Company regarding such nominations.

The D&CG Committee failed to take action to approve or, to the knowledge of MatlinPatterson, disapprove of MatlinPatterson s proposed director candidates. The Committee also failed to propose any other nominees to fill the existing vacancy on the Board or the four vacancies that would be created because four directors had announced that they would not stand for re-election.

On March 20, 2013, Clinton Group sent a letter to the Company requesting that the Board act to reopen the period during which stockholders of the Company may submit advance notice of an intention to nominate directors at the 2013 Annual Meeting. On March 26, 2013, the Board voted to reopen the nomination period, and on April 8, Clinton Group delivered a notice to the Company of its intent to nominate twelve candidates to stand for election to the Board. Shortly thereafter, Clinton Group disclosed that it had purchased in the open market approximately 3.8 million shares of Company common stock during March 2013, representing approximately 3.1% of the Company s outstanding common stock.

During the course of preparation of the Company s proxy statement for the 2013 Annual Meeting, on April 23, 2013, management of the Company asserted the position that the anticipated election of the intended nominees of either MatlinPatterson or Clinton Group would constitute a Change in Control within the meaning of the Company s Retention Plan. Under the Retention Plan, termination of employment under certain circumstances in connection with the occurrence of a Change of Control could potentially trigger payments to four members of senior management of as much as $9.28 million, according to information in the Company s proxy statement.

Under the terms of the Retention Plan, a Change of Control would occur if, subject to certain exceptions, individuals who, as of August 17, 2012, constitute the Board cease thereafter for any reason to constitute at least a majority of the Board. Only four incumbent directors (Messrs. Patterson, Pechock, Cohen and Hughes) have agreed to continue to be nominated at, and to serve after, the 2013 Annual Meeting. Accordingly, if more than three of the remaining five positions on the Board are filled with new Board members, a Change of Control (as defined) could be triggered because incumbent directors would cease to constitute a majority of the Board.

MatlinPatterson believes that simply filling the open Board positions, which vacancies are created when independent directors refuse to stand for re-election, with replacement independent directors, is not the type of event that was intended to constitute a Change of Control under the Retention Plan. MatlinPatterson also believes that it would be a waste of a significant portion of the Company s assets to trigger provisions that could cause the Company to have to pay up to $9.28 million under the Retention Plan, at a time when replacement independent directors will be elected to fill open Board positions, and these new directors will participate in the evaluation of the future direction of the Company.

MatlinPatterson believes that it is in the best interests of the Company and its stockholders to avoid a Change of Control triggering event at the present time, and maintain flexibility with respect to the Company s future. The reconstituted Board should retain the power to determine whether, when and how a Change of Control would be triggered, rather than to be forced into a triggering event simply because a group of four incumbent directors refuse to be renominated because of fear that they would lose an election, thereby necessitating that the stockholders fill the vacancies with replacement directors.

In an attempt to prevent this unintended windfall to management at the expense of the Company s stockholders, on April 24, 2013, MatlinPatterson proposed to current directors Rohde, Bienen, Gerard and Yingling by email that they agree to stand for re-election at the Annual Meeting so that they could continue as incumbents, thereby preventing the possibility that a Change of Control would be triggered. These directors did not respond to this proposal until May 8, 2013, at which time they reiterated their refusal to stand for re-election. MatlinPatterson continues to be open to the possibility of voting for these directors to remain on the Board as incumbents, should they reconsider and indicate their willingness to stand for re-election.

In light of the refusal of four directors to stand for re-election, MatlinPatterson is pursuing other avenues to reconstitute the Board without unnecessarily triggering a Change of Control under the Retention Plan.

On April 30, 2013, MatlinPatterson and certain other stockholders of the Company, representing a majority of the outstanding shares of Company stock, signed and delivered to the Company written consents to amend several provisions of the bylaws of the Company (the Bylaw Amendments), as described below. The written consents to approve the Bylaw Amendments were solicited by MatlinPatterson from ten or fewer persons, in accordance with the exemption from certain provisions of the SEC s proxy rules, pursuant to Rule 14a-2(b)(2) promulgated under the Exchange Act.

Under the Delaware General Corporation Law (the DGCL) and the Company s certificate of incorporation, the stockholders may take action by written consent, setting forth the action so taken, signed by the holders of the requisite number of outstanding shares. Such action may be taken without a meeting, without prior notice, and without a vote. Under Delaware law, such action is effective upon delivery of the requisite number of written consents. Under the Company s certificate of incorporation, the bylaws of the Company may be amended or repealed by the Board of Directors or by the stockholders having voting power with respect thereto. The affirmative vote of the majority of the shares outstanding and entitled to vote is required for the stockholders to amend the bylaws of the Company, subject to certain exceptions which are not applicable to the Bylaw Amendments as described below.

Accordingly, the delivery to the Company on April 30, 2013 of the requisite written consents caused the Bylaw Amendments to become effective on that date. On May 6, 2013, the Company filed with the SEC a Current Report on Form 8-K stating, among other things, that the Bylaw Amendments were effective on April 30, 2013. Under the DGCL, the Company is required to provide prompt notice to the stockholders of the taking of the action by written consent, but the effectiveness of the action is not conditioned upon the delivery of such notice.

The Bylaw Amendments change the voting standard for election of directors. In addition, the Bylaw Amendments provide that the 2013 Annual Meeting of Stockholders shall be held on May 23, 2013, and shall not be adjourned, unless a different date or such adjournment is approved by the affirmative note of three-fourths of the directors present at a meeting at which there is a quorum. The Bylaw Amendments also provide that the provisions of the Company s bylaws permitting stockholders to act by written consent shall not be amended or repealed, and no provision inconsistent therewith, may be adopted, except with the affirmative vote of three-fourths of the directors present at a meeting at which there is a quorum. Finally, the Bylaw Amendments provide that special meetings of the Board of Directors may be called by any two directors, in addition to the other means by which special meetings may be called under the bylaws.

On May 9, 2013, MatlinPatterson and certain other stockholders of the Company, representing a majority of the outstanding shares of Company stock, signed and delivered written consents to further amend the provision of the April 30 Bylaw Amendment, to clarify the voting standard for the election of directors (the May 9 Bylaw Amendments). The May 9 Bylaw Amendments became effective on that date. The written consents to approve the May 9 Bylaw Amendments were solicited by MatlinPatterson in accordance with SEC Rule 14a-2(b)(2), as described above.

The May 9 Bylaw Amendments changed the voting standard for election of directors. Pursuant to the May 9 Bylaw Amendments, at any election of directors, each director shall be elected by the affirmative vote of a majority of the shares entitled to vote at the meeting and that are present in person or represented by proxy (but excluding, for purposes of determining the number of shares present in person or represented by proxy, any shares that are not voted in the election of directors for any nominees). Any incumbent director in office at the time of the election who does not receive such affirmative vote shall immediately tender his or her resignation. The Board of Directors (excluding the director in question) shall consider each such resignation and shall decide whether to accept it. In accordance with the DGCL, the foregoing provisions, having been approved by the stockholders of the Company, may not be amended or repealed, and no provisions inconsistent therewith may be adopted, by the Board of Directors.

REASONS FOR THE SOLICITATION

As discussed in the section titled BACKGROUND OF THE SOLICITATION, the current size of the Board of Directors is nine, which includes one vacancy. By a letter dated February 23, 2013, four independent directors of the Company, Robert S. Yingling, Bruce Rohde, Harry S. Bienen and Robert A. Gerard, provided notice that they would not stand for re-election at the Annual Meeting in May 2013 because they believed that they would not be re-elected.

With the openings that would be created by the departure of these four directors, in addition to the existing vacancy on the Board, and the impending Annual Meeting of Stockholders scheduled for May, MatlinPatterson believed the Company would need to recruit as many as five additional directors to serve. In late February, 2013, MatlinPatterson provided to the D&CG Committee the names of five new, qualified independent candidates for nomination to the Board at the Annual Meeting and/or election to the Board prior to that meeting to fill any Board vacancies. MatlinPatterson expected at that time that some or all of the proposed directors would be acceptable to the D&CG Committee.

The D&CG Committee did not approve or, to the knowledge of MatlinPatterson, disapprove of MatlinPatterson s proposed director candidates, or take any other action on the proposed candidates. The D&CG Committee did not propose any other nominees either to fill the existing vacancy on the Board or to be elected in place of the four directors who had announced that they would not stand for re-election. In addition, the D&CG Committee did not propose to nominate the four current directors who were willing to stand for re-election, Messrs. Patterson, Pechock, Cohen and Hughes, and did not provide any reason for refusing to re-nominate these current directors or for refusing to issue any recommendation to stockholders as to how to vote on these four individuals, if nominated by others.

The current Board of Directors of the Company and the D&CG Committee have essentially refused to take any action to prepare for or facilitate the election of any directors at the Annual Meeting. For example, they have not:

- indicated any intent to nominate any individuals for election to the Board at the Annual Meeting, even the four current members of the Board who have indicated a willingness to continue to serve as directors;

- taken any action with respect to the five new, qualified candidates proposed by MatlinPatterson in February 2013 for nomination to the Board at the Annual Meeting and/or election to the Board prior to that meeting to fill any Board vacancies;

- made any plans or proposals to fill the existing vacancy on the Board or to fill the vacancies that would be created by the refusal of four directors to stand for reelection at the Annual Meeting;

- made any recommendation as to how stockholders should vote on any nominees, if any, proposed by other parties, including MatlinPatterson, even though four potential nominees, Messrs. Patterson, Pechock, Cohen and Hughes, are current directors of the Board, nor

- indicated any plans or intent to solicit proxy authority to vote for the election of directors.

As a result of deliberate inaction by the current Board and the D&CG Committee, they have placed the Company in the highly unusual situation of convening an Annual Meeting of Stockholders at which nine directors are to be elected, but for which the Company has put forward no nominees. This presents the possibility that, absent nominations from Company stockholders, there will not be any candidates elected at the Annual Meeting. MatlinPatterson has repeatedly requested that the Board and the D&CG Committee take action to address this situation in accordance with their fiduciary duties, but as of the date of this Proxy Statement, they have failed to do so.

MatlinPatterson had not expected that it would be necessary to solicit proxies for this Annual Meeting because it expected that some or all of its proposed directors would be acceptable to the D&CG Committee and to the Board, and thereafter the Company would nominate a slate containing Messrs. Hughes, Cohen, Pechock, Patterson and some or all of the candidates put forward by MatlinPatterson. However, the D&CG Committee and the Board did not act.

In fact, were it not for nominations by MatlinPatterson, the only slate of candidates that would be voted on at the Annual Meeting would be a full slate proposed by Clinton Group, which made its initial investment in the Company only in March 2013 and owns only approximately 3.1% of the Company s outstanding voting securities. If MatlinPatterson did not conduct this solicitation, the entire Board of the Company could be turned over to Clinton Group s nominees.

As a result, MatlinPatterson had no choice but to solicit proxies to ensure that Messrs. Pechock, Patterson and Cohen are nominated and re-elected and to ensure that the other Board positions are filled with candidates that it knows and considers to be qualified. At the Annual Meeting, MatlinPatterson expects to nominate five persons for election as directors: Mark R. Patterson, Christopher R. Pechock, Marshall Cohen, Jaime Lifton and Keith B. Hall. Under certain circumstances described in further detail herein, MatlinPatterson may also nominate three more persons for election as directors: Carl W. McKinzie, Edwin M. Banks, and Nasir A. Hasan. All eight are highly qualified and independent, three of whom (Messrs. Patterson, Pechock and Cohen) have deep experience with and knowledge of the Company through many years of service on the Board, and two of whom (Messrs. Patterson and Pechock) are affiliated with MatlinPatterson, the Company s largest stockholder and a major investor in the Company for over five years.

MatlinPatterson has proposed eight highly qualified, independent nominees because we believe we have the better view of what needs to be done to optimize stockholder value than either the current Board of Directors or other stockholders who only recently acquired a small voting interest in the Company. As the largest stockholder of the Company, we wish to make sure that there is put in place a Company Board and management team that will be focused solely on optimizing stockholder value. To date, the current Board of Directors has not indicated any interest in considering the replacement of senior management of the Company. Based on the disappointing results of the Company under their tenure in office and the challenges faced by the downsized, unprofitable Company, we believe that both Mr. Hughes, the Company s current Chief Executive Officer, and John Griff, the current Chief Operating Officer, should be replaced with a qualified restructuring professional.

In our view, there are at least three potential avenues for optimizing stockholder value:

- continuing the wind down of the Company s businesses and making a distribution of the proceeds to stockholders,

- continuing to pursue a strategic alternative such as a merger or sale of the Company, and

- re-investing the Company s liquid assets in favorable opportunities, for example, acquiring additional interests in FA TechnologyVentures L.P., the Company s venture capital investment subsidiary.

Based on the information available to us at this time, MatlinPatterson believes that it makes sense in the short term to pursue all these avenues. We currently believe that expediting the ongoing downsizing of the Company, coupled with a sale or liquidation of the Company s remaining business, and a reinvestment of the proceeds or distribution to stockholders will produce the best result for the stockholders. However, we believe that a strategic alternative is also worth pursuing in parallel and we believe the Company should continue to seek out such opportunities and be open to proposals from interested parties.

We have nominated a slate of highly qualified individuals, with extensive financial and business expertise. We believe they are well suited to optimizing stockholder value.

PROPOSALS 1 AND 2

ELECTION OF DIRECTORS

The Board consists of nine seats, currently with one vacancy. According to the Company s definitive proxy statement on Schedule 14A filed with the Securities and Exchange Commission (the SEC) on April 26, 2013 in connection with the Annual Meeting (the Company s Proxy Statement), the terms of nine directors expire at the Annual Meeting.

As discussed under the section titled, BACKGROUND OF THE SOLICITATION, to preserve its rights to nominate at the Annual Meeting three existing directors for re-election (Messrs. Patterson, Pechock and Cohen), and five new independent director candidates (Messrs. Lifton, Hall, Banks, Hasan and McKinzie), pursuant to the Company s bylaws, on February 23, 2013, MatlinPatterson delivered a written notice to the Company regarding nomination of these individuals.

During the course of preparation of the Company s Proxy Statement for the 2013 Annual Meeting, on April 23, 2013, management of the Company asserted the position that the anticipated election of the intended nominees of either MatlinPatterson or Clinton Group would constitute a Change in Control within the meaning of the Company s Retention Plan. Under the Retention Plan, termination of employment under certain circumstances in connection with the occurrence of a Change of Control could potentially trigger payments to four members of senior management of as much as $9.28 million, according to information in the Company s Proxy Statement.

Under the terms of the Retention Plan, a Change of Control would occur if, subject to certain exceptions, individuals who, as of August 17, 2012, constituted the Board cease thereafter for any reason to constitute at least a majority of the Board.

MatlinPatterson believes that simply filling the open Board positions, which vacancies are created when independent directors refuse to stand for re-election, with replacement independent directors, is not the type of event that was intended to constitute a Change of Control under the Retention Plan. MatlinPatterson also believes that it would be a waste of a significant portion of the Company s assets to trigger provisions that could cause the Company to have to pay up to $9.28 million under the Retention Plan, at a time when replacement independent directors will be elected to fill open Board positions, and these new directors will participate in the evaluation of the future direction of the Company.

Clinton Group has stated that it intends to nominate nine individuals for election as directors. As of the date of this Proxy Statement, Clinton Group has specified 12 individuals that it might nominate for the nine positions on the Board. Only one of the 12 individuals, Thomas J. Hughes, the current Chief Executive Officer of the Company, was a member of the Company s Board on August 17, 2012. Accordingly, if Clinton Group nominates nine individuals and they are elected, it would constitute a Change of Control of the Board under the Retention Plan, potentially triggering a $9.28 million windfall to management.

Of the eight individuals identified by MatlinPatterson as nominees for election to the Board, three (Messrs. Patterson, Pechock and Cohen) were members of the Board on August 17, 2012. Therefore, in order to prevent the occurrence of a Change of Control of the Board under the Retention Plan, MatlinPatterson expects to nominate five persons for election as directors: Mark R. Patterson, Christopher R. Pechock, Marshall Cohen, Jaime Lifton and Keith B. Hall. If these five are elected and no other persons are elected to the Board who were not Board members on August 17, 2012, then there would be no Change of Control under the Retention Plan because a majority (three of five) of the Board would be members who served as directors on August 17, 2012.

Since 11 out of 12 of the Clinton Group nominees were not Board members on August 17, 2012, then the election of even one of these 11 could trigger a Change of Control if the five MatlinPatterson nominees are elected under Proposal 1 and the other incumbent directors resign as required by the Company s bylaws.

The shares of Common Stock represented by properly executed GOLD proxy cards will be voted at the Annual Meeting as marked on Proposal 1, and, in the absence of specific instructions, will be voted FOR the election of Messrs. Patterson, Pechock, Cohen, Hall and Lifton as directors.

If MatlinPatterson determines that it is reasonably likely that a Change of Control will be triggered as a result of the election of directors at the Annual Meeting, then MatlinPatterson intends to also nominate three more persons for election as directors at the Annual Meeting: Carl W. McKinzie, Edwin M. Banks, and Nasir A. Hasan.

MatlinPatterson s determination as to whether a Change of Control is reasonably likely to occur, and therefore whether or not to nominate Messrs. Banks, Hasan and McKinzie, is based on events and circumstances that are not presently known, and likely will not be known until the time of the Annual Meeting. These factors include: (i) whether or not any persons are nominated for election as directors at the Annual Meeting by third parties, other than the five MatlinPatterson nominees specified under Proposal 1, (ii) whether any such persons who are nominated by third parties were directors of the Company as of August 17, 2012, and (iii) whether one or more of any such persons who are nominated by third parties are reasonably likely to be elected under the voting standard for election of directors as specified under the Company s bylaws.

If MatlinPatterson determines that is advisable to nominate Messrs. Banks, Hasan and McKinzie as a result of the events and circumstances at the time of the Annual Meeting as discussed above, then the shares of any stockholder who signs a GOLD proxy card will be voted as directed on the proxy card and, in the absence of specific instructions, will be voted FOR the election of Messrs. Banks, Hasan and McKinzie. Alternatively, if MatlinPatterson determines that it is not advisable to nominate Messrs. Banks, Hasan and McKinzie, and they are not validly nominated at the Annual Meeting, then the shares of any stockholder who signs a GOLD proxy card will not be voted on Proposal 2.

As discussed below, **the shares owned by any stockholder who signs a GOLD proxy card will not be voted in the election of directors for one, and possibly as many as four, seats,** depending on how many persons MatlinPatterson nominates.

The Board of the Company currently consists of nine seats, which includes one vacancy. Since under the advance notice provisions of the Company s bylaws, MatlinPatterson cannot nominate more than eight persons for election as directors at the Annual Meeting, the shares owned by any stockholder who signs the GOLD proxy card will not be voted under any circumstances in the election of directors for at least one seat.

In the event that MatlinPatterson only nominates five persons for election as directors, then the shares owned by any stockholder who signs the GOLD proxy card will not be voted in the election of directors as to four seats.

The GOLD proxy card does not confer authority to vote for the election of any person as a director of the Company other than the MP Nominees. In the event that some or all of the MP Nominees are elected as directors, and other persons who are not MP Nominees (such as nominees of Clinton Group) are also elected as directors, there can be no assurance that such other person s nominees will serve if elected with any of the MP Nominees.

In the event that some or all of the MP Nominees are elected, and if there are no other persons nominated or the total number of persons elected is fewer than nine, then the current incumbent directors who do not receive the requisite affirmative vote are required by the bylaws to immediately tender their resignations. The Board of Directors (excluding the incumbent directors in question) shall consider each such resignation and shall decide whether to accept it. After the Board decides whether to accept such resignations, there may exist one or more vacancies on the Board of Directors. Under the Company s certificate of incorporation, vacancies on the Board of Directors can be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum. MatlinPatterson has no present intention to seek to fill such vacancies, if any, unless the MP Nominees elected to the Board constitute less than a majority of the then authorized number of directors, in which case

MatlinPatterson may seek to have such vacancies filled with one or more MP Nominees or other persons, or to have the authorized number of directors reduced.

The Company has not nominated any candidates for election as directors at the Annual Meeting. According, please note that if you sign the White proxy card provided by the Company, your shares will not be voted in the election of directors.

MatlinPatterson is seeking your support at the Annual Meeting to elect Messrs. Patterson, Pechock, Cohen, Lifton and Hall as directors under Proposal 1. MatlinPatterson is also seeking your support at the Annual Meeting to elect Messrs. McKinzie, Banks and Hasan under Proposal 2, if validly nominated by MatlinPatterson at the Annual Meeting.

Mark R. Patterson Director Director since 2007 Age 61	Mr. Patterson became a director of the Company following the completion of the Company s private placement with the Record Holder in September 2007. Mr. Patterson is, and has been, Chairman of MatlinPatterson Asset Management L.P. (MAMLP) since its formation in 2010. The principal business of MAMLP is to organize, acquire and sponsor alternative investment managers that participate in credit strategies. In addition, from 2002 through 2012 he was Chairman of MatlinPatterson Global Advisers LLC (MP Global Advisers), which he co-founded. The principal business of MP Global Advisers is to serve as investment adviser to various investment funds controlled by Mr. Patterson and David J. Matlin. MAMLP and MP Global Advisers are affiliates of the Company. Mr. Patterson has over 35 years of financial markets experience, principally in merchant, investment and commercial banking, at Credit Suisse (where he was Vice Chairman from 2000 to 2002), Scully Brothers & Foss L.P., Salomon Brothers Inc., and Bankers Trust Company. The business address of Mr. Patterson is MatlinPatterson Global Advisers LLC, 520 Madison Avenue, 35th Floor, New York, New York 10022-4213. Mr. Patterson holds degrees in law (BA, 1972) and economics (BA Honors, 1974) from South Africa s Stellenbosch University and an MBA (with distinction, 1986) from New York University s Stern School of Business. Mr. Patterson also serves on the Dean s Executive Board of the NYU Stern School of Business. He previously served on the boards of Allied World Assurance in Bermuda, Flagstar Bancorp, Inc., NRG Energy, Inc., Compass Aerospace, Polymer Group, Inc. and Oxford Automotive, Inc. Mr. Patterson has significant experience, expertise and background in the financial markets, including with respect to risk management, investment and strategic planning matters. With his financial markets experience and his experience as a member of the boards of other public companies, Mr. Patterson continues to provide key insight to the Company s Board of Directors. Furthermore, given Mr. Patterson s relationship with MatlinPatterson, MatlinPatterson believes that his interests will be closely aligned to those of the Company s stockholders and he provides the Board with the perspective of a major stockholder.

Christopher R. Pechock Director Director since 2007 Age 48	Mr. Pechock became a director of the Company following the completion of the Company s private placement with the Record Holder in September 2007. He has been a partner at MP Global Advisers since its inception in July 2002. Mr. Pechock has been active in the securities markets for over 18 years. Prior to July 2002, Mr. Pechock was a member of Credit Suisse s Distressed Group, which he joined in 1999. Before joining Credit Suisse, Mr. Pechock was a Portfolio Manager and Research Analyst at Turnberry Capital Management, L.P. (1997-1999), a Portfolio Manager at Eos Partners, L.P. (1996-1997), a Vice President and high yield analyst at PaineWebber Inc. (1993-1996) and an analyst in risk arbitrage at Wertheim Schroder & Co., Incorporated (1987-1991). The business address of Mr. Patterson is MatlinPatterson Global Advisers LLC, 520 Madison Avenue, 35th Floor, New York, New York 10022-4213. Mr. Pechock holds an MBA from Columbia University Graduate School of Business (1993) and a BA in Economics from the University of Pennsylvania (1987). Mr. Pechock serves on the board of Renewable Biofuels Inc. He previously served on the boards of COMSYS IT, Compass Aerospace, Goss International, Huntsman Corporation, XL Health Corporation, Leprechaun Holding Company LLC and FXI Holdings, Inc. Mr. Pechock has brought to the Board his experience as a partner of MP Global Advisers and expertise in the securities markets and continues to provide key insight to the Company s Board. Furthermore, given Mr. Pechock s relationship with MatlinPatterson, MatlinPatterson believes that his interests will be closely aligned to those of the Company s stockholders and he provides the Board with the perspective of a major stockholder.
Jaime Lifton Age 52	Mr. Lifton has been the Chief Executive Officer, co-founder and managing partner of Persephone Capital Partners LLC, a middle-market private equity firm, since 2012. Prior to that, he was Managing Director of JPMorgan Securities Fixed Income/Capital Markets Division, a leading financial services firm, from 1998 through 2012. The business address of Mr. Lifton is Persephone Capital Partners, PO Box 198, East Setauket, NY 11733. Mr. Lifton holds an MBA from Baruch College and a B.A. in Economics from SUNY at Stony Brook. He currently serves as a director of Renewable Biofuels Inc. and Persephone Capital Partners where he has served since 2009 and 2012, respectively. Mr. Lifton served on the board of Safety Kleen, Inc. from 2006 through 2012 and Bally Total Fitness Holding Corporation from 2011 to 2012. Mr. Lifton has over 25 years of experience in corporate finance, capital markets, private equity/distressed investing and corporate restructuring.
Keith B. Hall Age 59	Mr. Hall has been an independent corporate director since 2004. Mr. Hall served as Executive Vice President and Chief Financial Officer for Education Dynamics, an internet lead-generation company serving the post-secondary education market, from April through November 2012. Education Dynamics is not a subsidiary, parent or affiliate of the Company. Mr. Hall s previous employment was at LendingTree, LLC where he served as Senior Vice President and Chief Financial Officer from 1999 to 2007. LendingTree was the fourth public company where Mr. Hall was Chief Financial Officer that was subsequently acquired. The business address of Mr. Hall is 17204 Connor Quay Court, Cornelius, NC 28031.

Mr. Hall holds an MBA from Harvard Business School and a B.A in Business Administration and Economics from Coe College in Iowa.

Mr. Hall serves on the boards of The Street, Inc. (since 2012), Tectura, Inc. (since 2008) and WhiteFence, Inc. (since 2011), and has served on the boards of MTM Technologies, Inc. (2008-2012), Polymer Group, Inc. (2008-2011), Electronic Clearing House (2007-2008), NewRiver, Inc. (2004-2010), CoreLogic, Inc. (2008-2010), Ikonisys, Inc. (2008-2009).

Mr. Hall has over 30 years experience in finance. He has a broad perspective from his various public and private company board room experiences, ranging from internet start-ups to large-cap, international firms.

Marshall Cohen

Director

Director since 2009

Committees:

Directors and Corporate Governance, Executive Compensation and Audit

Age 78

Mr. Cohen is counsel (retired) at Cassels, Brock & Blackwell LLP, Barristers and Solicitors, a full service law firm in Toronto, which he joined in 1996. Mr. Cohen was President and Chief Executive Officer of The Molson Companies Ltd. from 1988 through 1996. Prior to that, he was a senior official with the Government of Canada for 15 years, holding various appointments including Deputy Minister of Energy, Industry Trade & Commerce, and Finance. The business address of Mr. Cohen is Scotia Plaza, Suite 2100, 40 King Street West, Toronto, Ontario, Canada M5H 3C2.

Mr. Cohen holds a B.A. from the University of Toronto, a law degree from Osgoode Hall Law School and a Master s Degree in Law from York University.

Mr. Cohen serves on the board of directors of TD Ameritrade (since 2009) and as Chairman of the Audit Committee and a member of the Governance Committee of such board. He also serves on the board of directors of TriMas Corporation (since 2005) and as a member of each of the Audit Committee and Compensation Committee and as Chairman of the Governance Committee of such board. During the past five years, Mr. Cohen has also served on the boards of Toronto Dominion Bank, Barrick Gold Corporation, and American International Group, Inc. In addition, Mr. Cohen recently retired as Chairman of the Board of Governors of York University and is an honorary director or governor of a number of non-profit organizations, including the C.D. Howe Institute and Mount Sinai Hospital. Mr. Cohen is an Officer of the Order of Canada.

Mr. Cohen brings valuable legal, financial, operational, strategic and compliance-based expertise to our Board with his past experience as the chief executive officer of a large Canadian public company with international operations. Mr. Cohen s extensive knowledge and experience in management, governance and legal matters involving publicly-held companies brings additional management, governance and legal experience to the Company s Board. In addition, his independence and experience serving on the boards of other public companies has enhanced the Board s ability to lead the Company.

Carl W. McKinzie

Age 73

Mr. McKinzie was the Chief Executive Officer of FirstFed Financial Corporation, a savings and loan holding company, from September 2010 through January 2012. FirstFed Financial Corporation is not a subsidiary, parent or affiliate of the Company. Prior to that Mr. McKinzie had served as a partner and then of counsel at Bingham McCutchen LLP, an international law firm, since 1980. The business address of Mr. McKinzie is 10900 Wilshire Boulevard, Suite 850, Los Angeles, CA 90024-6531.

Mr. McKinzie holds a BA and an MBA from Texas Tech University and a JD from Southern Methodist University.

	Mr. McKinzie serves on the board of The Welk Group, Inc., Welk Hospitality Group, Inc., California Beach Restaurants, Inc. and Leuen Inc. He previously served on the boards of IXC Communications, Inc., Corporesano Holdings LLC and Leprechaun Holding Company LLC. Mr. McKinzie has over 40 years of experience as a corporate attorney, providing legal services to clients in a wide variety of industries.
Edwin M. Banks Age 50	Mr. Banks is the founder and has been the managing partner of Washington Corner Capital Management L.P., a registered investment advisor, since 2007. The principal business of Washington Corner Capital Management is to provide financial investment advice and services to clients. Prior to that Mr. Banks was with WR Huff for 18 years where he held a variety of titles including Senior Portfolio Manager of WR Huff s high yield accounts and Chief Investment Officer of the Huff Alternative Fund. The business address of Mr. Banks is Washington Corner Capital Management 140 Washington Corner Road, Bernardsville, NJ 07924. Mr. Banks holds an MBA and a B.A in History from Rutgers University. Mr. Banks served on the board of CVS/Caremark from 1999-2012, CKX Entertainment from 2005-2011 and Virgin Media from 2002-2009. Mr. Banks has over 24 years of experience in institutional investment management.
Nasir A. Hasan Age 63	Mr. Hasan has been a private financial advisor since June 2010. Prior to that Mr. Hasan was head of Strategic Transactions and a member of the Leadership Committee with Ally Financial, a company that provides automotive financing products and services around the world, from March 2008 May 2010. Rescap, a mortgage financing subsidiary of Ally Financial filed for bankruptcy in May 2010. The business address of Mr. Hasan is 8918 Winged Bourne Road, Charlotte, NC 28210. Mr. Hasan holds an MBA and a B.S from the University of California, Berkeley. Mr. Hasan has over 35 years of experience in banking and financial markets, primarily as a Managing Director with Bankers Trust Company and Bank of America.

The Participants believe that each of the MP Nominees would be deemed independent under the NASDAQ listing standards and for the purposes of Item 407(a) of Regulation S-K under the Exchange Act. The Participants also believe that Keith Hall and Edwin Banks would each qualify as an audit committee financial expert within the meaning of Item 407(d) of Regulation S-K under the Exchange Act, and that each of them has the accounting and related financial management expertise within the meaning of the NASDAQ listing standards. Mr. Cohen is currently a member of the Audit Committee.

The MP Nominees have each entered into a nominee agreement pursuant to which MP FAA has agreed to pay the costs of soliciting proxies in connection with the Annual Meeting, and to defend and indemnify such MP Nominees against, and with respect to, any losses that may be incurred by them in the event they become a party to litigation based on their nomination as candidates for election to the Board and the solicitation of proxies in support of their election. The MP Nominees will not receive any compensation from MP FAA or its affiliates for their services as directors of the Company if elected. If elected, the MP Nominees will be entitled to such compensation from the Company as is consistent with the Company s practices for services of directors.

Each of the MP Nominees has agreed to being named as a nominee in this Proxy Statement and has confirmed his or her willingness to serve on the Board if elected. We do not expect that any of the MP Nominees will be unable to stand for election, but in the event that a MP Nominee is unable to or for good cause will not

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serve, the shares of Common Stock represented by the GOLD proxy card will be voted for a substitute candidate selected by us.

The Company has not nominated any candidates for election as directors at the Annual Meeting. According, please note that if you sign the White proxy card provided by the Company, your shares will not be voted in the election of directors.

WE URGE YOU TO VOTE **FOR** THE ELECTION OF MESSRS. PATTERSON, PECHOCK, COHEN, HALL AND LIFTON ON THE **GOLD** PROXY CARD, PURSUANT TO PROPOSAL 1.

WE ALSO URGE YOU TO VOTE **FOR** THE ELECTION OF MESSRS. BANKS, HASAN AND MCKINZIE, IF NOMINATED AT THE ANNUAL MEETING, ON THE **GOLD** PROXY CARD.

PROPOSAL 3

AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF

INCORPORATION TO EFFECT A REVERSE STOCK SPLIT

As discussed in further detail in the Company s Proxy Statement, the Board has declared advisable and approved, and is soliciting stockholder approval of, an amendment to the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split at a ratio of between one-for-ten and one-for-twenty (the Reverse Stock Split Amendment). A vote for Proposal 3 will constitute approval of the Reverse Stock Split Amendment, which provides for the combination of any whole number of shares of Common Stock between and including ten and twenty into one share of Common Stock, and will grant the Board the authority to select which ratio within that range to implement. If the stockholders approve this proposal, the Board will have the authority, but not the obligation, in its sole discretion, and without further action on the part of the stockholders, to select the reverse stock split ratio within the approved range and effect the reverse stock split by filing the Reverse Stock Split Amendment with the Delaware Secretary of State at any time after the approval of the Reverse Stock Split Amendment and prior to the close of business on September 30, 2013. If the reverse stock split is implemented, the number of authorized shares will be decreased in the same ratio as the reverse stock split, subject to stockholder approval. (See Proposal 4)

The Reverse Stock Split Amendment would have no effect on the par value of a share of Common Stock. Except for any changes as a result of the treatment of fractional shares, each stockholder will hold the same percentage of Common Stock outstanding immediately after the reverse stock split as such stockholder held immediately prior to the reverse stock split.

The Board has authorized the submission of the proposal to amend the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split as a potential means of increasing the per share trading price of the Common Stock and regaining compliance with the continued listing requirements set forth in NASDAQ Listing Rule 5450(a)(1). Any determination to effect the reverse stock split will be made by the Board and will be based on a number of factors, including market conditions, existing and expected trading prices for the Common Stock and the continued listing requirements of The NASDAQ Global Market. The Board reserves the right to elect not to proceed with, and to abandon, the reverse stock split if it determines, in its sole discretion, that this proposal is no longer in the Company and its stockholders best interests.

Approval of this Proposal requires the affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote thereon.

WE RECOMMEND YOU VOTE **YES** ON PROPOSAL 3.

PROPOSAL 4

AMENDMENT TO THE AMENDED AND RESTATED CERTIFICATE OF

INCORPORATION TO PROPORTIONALLY DECREASE THE NUMBER OF

AUTHORIZED SHARES OF COMMON STOCK

As discussed in further detail in the Company s Proxy Statement, the Board has approved a proposed amendment to the Amended and Restated Certificate of Incorporation of the Company that would reduce the number of shares of Common Stock the Company is authorized to issue in the same ratio as the reverse stock split, provided that Proposal 3 above is approved by the stockholders and the Reverse Stock Split Amendment is implemented (the Proportional Decrease in Authorized Shares Amendment).

Approval of the Proportional Decrease in Authorized Shares Amendment is conditioned on the approval of the Reverse Stock Split Amendment. If the Reverse Stock Split Amendment is not approved, then the Proportional Decrease in Authorized Shares Amendment will automatically be deemed to not have been approved, regardless of the number of shares actually voted FOR that proposal. In the event that stockholders approve the Reverse Stock Split Amendment but do not approve the Proportional Decrease in Authorized Shares Amendment, the Board will retain the discretion to implement the Reverse Stock Split Amendment.

If the Reverse Stock Split Amendment is approved by stockholders and implemented by the Board, and the Proportional Decrease in Authorized Shares Amendment is approved by stockholders, the decrease would become effective upon the filing of the amendment to the Company s Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware, or at the later time set forth in the amendment, but in any event simultaneous with the effectiveness of the reverse stock split. The exact timing of the amendment will be determined by the Board based on its evaluation as to when such action will be the most advantageous to the Company and its stockholders.

Approval of this Proposal requires the affirmative vote of a majority of the shares of Common Stock outstanding and entitled to vote thereon.

WE RECOMMEND YOU VOTE **YES** ON PROPOSAL 4.

PROPOSAL 5

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

As discussed in further detail in the Company s Proxy Statement, in accordance with Section 14A of the Exchange Act, the Company provides its stockholders with the opportunity to cast an advisory vote to approve the compensation for the Company s named executive officers (commonly known as the say on pay vote). Accordingly, the Company is asking stockholders to vote, on an advisory basis, on the following resolution:

RESOLVED, that the compensation paid to the Company s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion and any related material contained in [the Company s] Proxy Statement, is hereby APPROVED.

Because this vote is only advisory in nature, it will not be binding on the Company. The Board will consider the results of this stockholder vote in determining future compensation programs for the Company s named executive officers. However, these programs may not change even if stockholders vote against this proposal.

Approval of this Proposal requires such Proposal to receive FOR votes constituting a majority of the votes cast at the Annual Meeting with respect to shares entitled to vote thereon.

WE RECOMMEND YOU VOTE **ABSTAIN** ON PROPOSAL 5.

PROPOSAL 6

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

According to the Company s Proxy Statement, the Audit Committee of the Board has selected PricewaterhouseCoopers LLP as the Company s independent registered public accounting firm for the fiscal year ending December 31, 2013. The Company is submitting this appointment for stockholder ratification at the Annual Meeting.

A representative of PricewaterhouseCoopers LLP is expected to be present at the Annual Meeting, will have the opportunity to make a statement if he or she desires to do so and will be available to respond to appropriate questions from stockholders.

If stockholders do not ratify the appointment, the Audit Committee will reconsider whether or not to retain PricewaterhouseCoopers LLP, but still may retain them. Even if the appointment is ratified, the Audit Committee, in its discretion, may change the appointment at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

According to the Company s Proxy Statement, the Audit Committee, or a designated member thereof, has pre-approved each audit and non-audit service rendered by PricewaterhouseCoopers LLP to the Company.

Approval of this Proposal requires such Proposal to receive FOR votes constituting a majority of the votes cast at the Annual Meeting with respect to shares entitled to vote thereon.

WE RECOMMEND YOU VOTE **YES** ON PROPOSAL 6.

VOTING AND PROXY PROCEDURES

Only stockholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Stockholders who sell shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares of Common Stock. Stockholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares of Common Stock after the Record Date. Based on publicly available information, including the Company s Proxy Statement, we believe that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the Common Stock.

The shares of Common Stock represented by properly executed GOLD proxy cards will be voted at the Annual Meeting as marked, and, in the absence of specific instructions, will be voted:

- FOR the election of MatlinPatterson s director nominees: Messrs. Patterson, Pechock, Cohen, Hall and Lifton;
- FOR the election of MatlinPatterson s director nominees, Messrs. Banks, Hasan and McKinzie, if nominated at the Annual Meeting;
- FOR the proposal to amend the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split,
- FOR the proposal to, if and when the reverse stock split is effected, proportionally decrease the number of authorized shares of Common Stock,
- ABSTAIN on the advisory vote on executive compensation, and
- FOR the ratification of the appointment of PricewaterhouseCoopers.

QUORUM; ABSTENTIONS; BROKER NON-VOTES

According to the Company s Proxy Statement, the presence, in person or by proxy, of the holders of at least a majority of the shares of Common Stock entitled to vote at the Annual Meeting is necessary to constitute a quorum at the Annual Meeting. Abstentions and broker non-votes (as described below) will be counted in determining whether a quorum has been reached.

If you own your shares in street name, and do not give your broker or other nominee voting instructions, your shares will be voted only if your broker or other nominee is allowed to exercise voting discretion with respect to your shares. Under New York Stock Exchange rules, your broker or other nominee is permitted to exercise voting discretion only with respect to routine matters. There are no routine matters to be acted upon at the Annual Meeting. If you do not submit voting instructions to your broker or other nominee, your shares will not be voted for you. The aggregate number of shares held in street name that a broker or other nominee does not or cannot vote is reported as the broker non-vote.

According to the Company s Proxy Statement, abstentions and broker non-votes will not be treated as votes cast. Accordingly, for Proposals 2 and 3, abstentions and broker non-votes will have the same effect as an AGAINST vote.

VOTES REQUIRED FOR APPROVAL

Election of Directors In accordance with the Company s Bylaws, as in effect on May 9, 2013, at the Annual Meeting, each director shall be elected by the affirmative vote of a majority of the shares entitled to vote at the meeting and that are present in person or represented by proxy (but excluding, for purposes of determining the number of shares present in person or represented by proxy, any shares that are not voted in the election of directors for any nominees). Any incumbent director in office at the time of the election who does not receive such affirmative vote shall immediately tender his or her resignation. The Board of Directors (excluding the director in question) shall consider each such resignation and shall decide whether to accept it.

Reverse Stock Split and Proportionate Decrease of Authorized Shares According to the Company s Proxy Statement, the proposal to amend the Company s Amended and Restated Certificate of Incorporation to effect a reverse stock split (Proposal 3) and the proposal to, if and when the reverse stock split is effected, proportionally decrease the number of authorized shares of Common Stock (Proposal 4) will each require the receipt of FOR votes constituting a majority of the shares of Common Stock outstanding and entitled to vote thereon.

Advisory Vote on Executive Compensation and Ratification Of Independent Registered Public Accounting Firm According to the Company s Proxy Statement, the advisory vote on executive compensation (Proposal 4) and approval of the ratification of the appointment of the Company s independent registered public accounting firm (Proposal 6) will each require the receipt of FOR votes constituting a majority of the votes cast.

IF YOU WISH TO VOTE **FOR** THE ELECTION OF THE MP NOMINEES TO THE BOARD, PLEASE SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED **GOLD** PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED.

APPRAISAL/DISSENTER RIGHTS

Stockholders are not entitled to appraisal or dissenters rights under Delaware law in connection with the Proposals or this Proxy Statement.

SOLICITATION OF PROXIES

The solicitation of proxies pursuant to this Proxy Solicitation is being made by MatlinPatterson. Proxies may be solicited by mail, facsimile, telephone, telegraph, Internet, in person and by advertisements.

MatlinPatterson will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. MatlinPatterson has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. MatlinPatterson will reimburse these record holders for their reasonable out-of-pocket expenses in so doing.

The entire expense of soliciting proxies is being borne by MatlinPatterson. Costs of the Proxy Solicitation are currently estimated to be approximately $[ ]. MatlinPatterson estimates that through the date hereof, its expenses in connection with the Proxy Solicitation are approximately $[ ]. If successful, we may seek reimbursement of these costs from the Company. In the event that we decide to seek reimbursement of our expenses, we do not intend to submit the matter to a vote of the Company s stockholders. The Board, a majority or all of which may consist of our MP Nominees, would be required to evaluate the requested reimbursement consistent with their fiduciary duties to the Company and its stockholders. Costs related to the Proxy Solicitation include expenditures for attorneys, advisors, printing, advertising, postage and related expenses and fees.

MP FAA has retained Innisfree M&A Incorporated (Innisfree) to provide solicitation and advisory services in connection with the Proxy Solicitation, for which Innisfree is to receive a fee of $35,000, plus an additional fee to be mutually agreed upon by MP FAA and Innisfree in connection with the solicitation of proxies for the Annual Meeting. MP FAA has also agreed to reimburse Innisfree for its reasonable out-of-pocket expenses and to indemnify Innisfree against certain liabilities and expenses, including certain liabilities under the federal securities laws. Innisfree will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. It is anticipated that Innisfree will employ approximately 25 persons to solicit the Company s stockholders as part of this Proxy Solicitation. Innisfree does not believe that any of its directors, officers, employees, affiliates or controlling persons, if any, is a participant in this Proxy Solicitation.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF THIS PROXY STATEMENT

This Proxy Statement and all other solicitation materials in connection with this Proxy Solicitation are available on the Internet, free of charge, at [ ].

INFORMATION CONCERNING THE COMPANY

MatlinPatterson has omitted from this Proxy Statement certain disclosure required by applicable law to be included in the Company s Proxy Statement. Such disclosure includes, among other things, information regarding securities of the Company beneficially owned by the Company s directors, nominees and management; certain stockholders beneficial ownership of more than 5% of the Company s voting securities; information concerning executive compensation; and information concerning the procedures for submitting stockholder proposals and director nominations intended for consideration at the 2014 annual meeting of stockholders and for consideration for inclusion in the proxy materials for that meeting. MatlinPatterson takes no responsibility for the accuracy or completeness of information contained in the Company s Proxy Statement. Except as otherwise noted herein, the information in this Proxy Statement concerning the Company has been taken from or is based upon documents and records on file with the SEC and other publicly available information. Although MatlinPatterson does not have any knowledge indicating that any statement contained herein is untrue, we do not take responsibility, except to the extent imposed by law, for the accuracy or completeness of statements taken from public documents and records that were not prepared by or on behalf of MatlinPatterson, or for any failure of the Company to disclose events that may affect the significance or accuracy of such information.

We urge you to carefully consider the information contained in this Proxy Statement and then support our efforts by signing, dating and returning the enclosed **GOLD** proxy card today.

Thank you for your support,

MatlinPatterson FA Acquisition LLC

MatlinPatterson LLC

MatlinPatterson PE Holdings LLC

MP II Preferred Partners L.P.

MP Preferred Partners GP LLC

David J. Matlin

Mark R. Patterson

Christopher R. Pechock

May [ ], 2013

[FORM OF PROXY CARD]

PRELIMINARY COPY SUBJECT TO COMPLETION

DATED MAY 10, 2013

PROXY OF STOCKHOLDERS OF GLEACHER & COMPANY, INC. (THE COMPANY) IN CONNECTION WITH THE COMPANY S 2013 ANNUAL MEETING OF STOCKHOLDERS:

THIS PROXY SOLICITATION IS BEING MADE BY MATLINPATTERSON FA ACQUISITION LLC, MP II PREFERRED PARTNERS L.P., MP PREFERRED PARTNERS GP LLC, MATLINPATTERSON PE HOLDINGS LLC, MATLINPATTERSON LLC, DAVID J. MATLIN, MARK R. PATTERSON AND CHRISTOPHER R. PECHOCK (COLLECTIVELY, MATLINPATTERSON)

The undersigned appoints Christopher Pechock and Nathan Brawn, and each of them, attorneys and agents with full power of substitution and re-substitution to vote all shares of common stock, par value $0.01 per share (the Common Stock), of the Company, which the undersigned would be entitled to vote if personally present at the 2013 Annual Meeting of Stockholders of the Company scheduled to be held at the offices of the Company, located at 1290 Avenue of the Americas, New York, NY 10104, at 9:00 a.m., local time, on May 23, 2013 (including at any adjournments or postponements thereof and at any meeting called in lieu thereof, the Annual Meeting).

The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of Common Stock of the Company held by the undersigned.

The undersigned hereby ratifies and confirms all action the herein named attorneys and proxies, their substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this proxy will be voted as directed on the reverse with respect to Proposals 1, 3, 4, 5 and 6. If Edwin M. Banks, Nasir A. Hasan and Carl W. McKinzie are validly nominated at the Annual Meeting by MatlinPatterson FA Acquisition LLC, this proxy will be voted as directed on the reverse with respect to Proposal 2, and if they are not so nominated at the Annual Meeting, then this proxy will not be voted on Proposal 2.

IF NO DIRECTION IS INDICATED WITH RESPECT TO THE MATTERS ON THE REVERSE, THIS PROXY WILL BE VOTED FOR THE NOMINEES NAMED IN PROPOSAL 1, FOR THE NOMINEES NAMED IN PROPOSAL 2 IF NOMINATED AT THE ANNUAL MEETING, FOR PROPOSALS 3, 4 AND 6, AND ABSTAIN ON PROPOSAL 5.

THIS SOLICITATION IS BEING MADE BY MATLINPATTERSON AND NOT ON BEHALF OF THE COMPANY OR ANY OTHER THIRD PARTY.

This proxy will be valid until the sooner of one year from the date stated on the reverse side and the completion of the Annual Meeting.

1. THE ELECTION OF MARK R. PATTERSON, CHRISTOPHER R. PECHOCK, KEITH B. HALL, JAIME LIFTON, AND MARSHALL COHEN TO SERVE AS DIRECTORS ON THE COMPANY S BOARD OF DIRECTORS.

___ For All Such Nominees	___ Withhold Authority to Vote for all Such Nominees	___ For All Such Nominees Except

INSTRUCTIONS: IF YOU DO NOT WISH YOUR SHARES OF COMMON STOCK TO BE VOTED FOR A PARTICULAR NOMINEE, MARK THE FOR ALL SUCH NOMINEES EXCEPT BOX AND WRITE THE NAME(S) OF THE NOMINEE(S) THAT YOU DO NOT SUPPORT ON THE LINE BELOW. YOUR SHARES OF COMMON STOCK WILL BE VOTED FOR THE REMAINING NOMINEE(S) AS APPLICABLE. ________________________________

2. ELECTION OF THE FOLLOWING INDIVIDUALS TO SERVE AS DIRECTORS:

	FOR	WITHHOLD
EDWIN M. BANKS	____	____
NASIR A. HASAN	____	____
CARL W. MCKINZIE	____	____

3. TO VOTE ON THE COMPANY S PROPOSAL TO AMEND THE COMPANY S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO EFFECT A REVERSE STOCK SPLIT:

FOR	AGAINST	ABSTAIN

4. TO VOTE ON THE COMPANY S PROPOSAL TO AMEND THE COMPANY S AMENDED AND RESTATED CERTIFICATE OF INCORPORATION TO PROPORTIONALLY DECREASE THE NUMBER OF AUTHORIZED SHARES OF THE COMPANY S COMMON STOCK:

FOR	AGAINST	ABSTAIN

5. TO VOTE ON THE COMPANY S PROPOSAL TO APPROVE, ON AN ADVISORY BASIS, THE COMPENSATION OF THE COMPANY S NAMED EXECUTIVE OFFICERS:

FOR	AGAINST	ABSTAIN

6. TO VOTE ON THE COMPANY S PROPOSAL TO RATIFY THE APPOINTMENT OF PRICEWATERHOUSECOOPERS LLP AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR THE FISCAL YEAR ENDING DECEMBER 31, 2013:

FOR	AGAINST	ABSTAIN

PLEASE SIGN, DATE AND MAIL YOUR PROXY PROMPTLY IN THE POSTAGE-PAID ENVELOPE ENCLOSED.

Date: ,2013

Signature

Signature (if held jointly)

Title(s):

Please sign exactly as name appears on stock certificates or on label affixed hereto. When shares of Common Stock are held by joint tenants, both should sign. In case of joint owners, EACH joint owner should sign. When signing as attorney, executor, administrator, trustee, guardian, corporate officer, etc., give full title as such.

om"> 5.02% (4.37)% $86,150 1.80%* 5.19%* 14% 14.33 16.61 64,277 1.64* 5.75* 8

(c) Ratios do not reflect the effect of dividend payments to RPS and ARPS shareholders, where applicable; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS, MTP Shares and/or VMTP Shares, during periods when RPS and ARPS were outstanding. For the years ended June 30, 2014 and prior, Minnesota Municipal Income's (NMS) includes the RPS of Minnesota Municipal Income Portfolio (MXA).

(d) The expense ratios reflect, among other things, all interest expense and other costs related to preferred shares (as described in Note 4 – Fund Shares, Preferred Shares) and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund (as described in Note 3 – Portfolio Securities and Investments in Derivatives, Inverse Floating Rate Securities), where applicable, as follows:

Minnesota Municipal Income (NMS)

Year Ended 5/31:		
2015(f)	0.61	%*
Year Ended 6/30:		
2014(g)	0.18	*
Year Ended 8/31:		
2013	—	
2012	—	
2011	—	
2010	—	

Missouri Premium Income (NOM)

Year Ended 5/31:		
2015	1.44	%
2014	1.51	
2013	1.45	

2012	1.55
2011	0.93

(e) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 – Investment Transactions) divided by the average long-term market value during the period.
(f) For the eleven months ended May 31, 2015.
(g) For the ten months ended June 30, 2014.
* Annualized.

See accompanying notes to financial statements.

Financial Highlights (continued)

Selected data for a common share outstanding throughout each period:

		Investment Operations					Less Distributions to Common Shareholders			Common Share		
	Beginning Common Share NAV	Net Investment Income (Loss)	Net Realized/ Unrealized Gain (Loss)	Distributions from Net Investment Income to ARPS Shareholders(a)	Distributions from Accumulated Net Realized Gains to ARPS Shareholders(a)	Total	From Net Investment Income	From Accumulated Net Realized Gains	Total	Discount Per Share Repurchased and Retired	Ending NAV	Ending Share Price
North Carolina Premium Income (NNC)												
Year Ended 5/31:												
2015	$ 14.90	$ 0.61	$ 0.11	$ —	$ —	$ 0.72	$ (0.62)	$ (0.03)	$ (0.65)	$ 0.01	$ 14.98	$ 12.95
2014	15.02	0.54	(0.06)	—	—	0.48	(0.60)	—	(0.60)	—	14.90	13.24
2013	15.30	0.56	(0.17)	—	—	0.39	(0.67)	—	(0.67)	—	15.02	13.88
2012	14.34	0.57	1.10	—	—	1.67	(0.71)	—	(0.71)	—	15.30	15.97
2011	14.72	0.69	(0.32)	(0.01)	—	0.36	(0.74)	—	(0.74)	—	14.34	14.41
Virginia Premium Income (NPV)												
Year Ended 5/31:												
2015	14.47	0.72	0.06	—	—	0.78	(0.75)	—	(0.75)	—	14.50	13.39
2014	15.38	0.71	(0.89)	—	—	(0.18)	(0.72)	(0.01)	(0.73)	—	14.47	13.39
2013	15.60	0.66	(0.10)	—	—	0.56	(0.76)	(0.02)	(0.78)	—	15.38	14.32
2012	14.42	0.68	1.32	—	—	2.00	(0.80)	(0.02)	(0.82)	—	15.60	17.05
2011	14.73	0.77	(0.27)	(0.01)	—	0.49	(0.80)	—	(0.80)	—	14.42	14.92

(a) The amounts shown for ARPS are based on common share equivalents.

(b) Total Return Based on Common Share NAV is the combination of changes in common share NAV, reinvested dividend income at NAV and reinvested capital gains distributions at NAV, if any. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending NAV. The actual reinvest price for the last dividend declared in the period may often be based on the Fund’s market price (and not its NAV), and therefore may be different from the price used in the calculation. Total returns are not annualized.

Total Return Based on Common Share Price is the combination of changes in the market price per share and the effect of reinvested dividend income and reinvested capital gains distributions, if any, at the average price paid per share at the time of reinvestment. The last dividend declared in the period, which is typically paid on the first business day of the following month, is assumed to be reinvested at the ending market price. The actual reinvestment for the last dividend declared in the period may take place over several days, and in some instances may not be based on the market price, so the actual reinvestment price may be different from the price used in the calculation. Total returns are not annualized.

Common Share Total Returns		Common Share Supplemental Data/ Ratios Applicable to Common Shares	Ratios to Average Net Assets(c)		
Based on NAV(b)	Based on Share Price(b)	Ending Net Assets (000)	Expenses(d)	Net Investment Income (Loss)	Portfolio Turnover Rate(f)
4.91 %	2.72 %	$246,319	1.54 %	4.03 %	12 %
3.54	0.10	246,492	2.81	3.85	17
2.50	(9.16)	248,601	2.72	3.88	17
11.88	16.23	97,497	3.28	3.85	18
2.57	(1.27)	91,256	2.49	4.77	10
5.45	5.72	260,104	1.67 (e)	4.91 (e)	17
(0.79)	(0.93)	259,568	2.25	5.15	19
3.56	(11.76)	275,865	2.57	4.19	21
14.26	20.61	141,099	2.78	4.49	12
3.48	(0.58)	130,032	2.11	5.36	12

(c) Ratios do not reflect the effect of dividend payments to ARPS shareholders, during periods when ARPS were outstanding; Net Investment Income (Loss) ratios reflect income earned and expenses incurred on assets attributable to ARPS and other subsequent forms of preferred shares issued by the Fund, where applicable.

(d) The expense ratios reflect, among other things, all interest expense and other costs related to preferred shares (as described in Note 4 – Fund Shares, Preferred Shares) and/or the interest expense deemed to have been paid by the Fund on the floating rate certificates issued by the special purpose trusts for the self-deposited inverse floaters held by the Fund, (as described in Note 3 – Portfolio Securities and Investments in Derivatives, Inverse Floating Rate Securities), where applicable, as follows:

North Carolina Premium Income (NNC)

Year Ended 5/31:	
2015	0.52 %
2014	1.70
2013	1.60
2012	1.71
2011	1.29

Virginia Premium Income (NPV)

Year Ended 5/31:	
2015	0.59 %
2014	1.18
2013	1.44
2012	1.41
2011	.93

(e) During the period ended May 31, 2015, the Adviser voluntarily reimbursed the Fund for certain expenses incurred in connection with its equity shelf program. As a result, the Expenses and Net Investment Income (Loss) Ratios to Average Net Assets reflect this voluntary expense reimbursement from Adviser as described in Note 4 Fund Shares, Common Shares Equity Shelf Programs and Offering Costs. The Expenses and Net Investment Income (Loss) Ratios to Average Net Assets excluding this expense reimbursement from Adviser were as follows:

	Ratios to Average Net Assets	
Virginia Premium Income (NPV)	Expenses	Net Investment Income (Loss)
Year Ended 5/31:		
2015	1.70 %	4.88 %

(f) Portfolio Turnover Rate is calculated based on the lesser of long-term purchases or sales (as disclosed in Note 5 – Investment Transactions) divided by the average long-term market value during the period.

See accompanying notes to financial statements.

Financial Highlights (continued)

	MTP Shares at the End of Period(a)		VMTP Shares at the End of Period	
	Aggregate Amount Outstanding (000)	Asset Coverage Per $10 Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $100,000 Share
Georgia Dividend Advantage 2 (NKG)				
Year Ended 5/31:				
2015	$ —	$ —	$ 75,000	$ 296,588
2014	—	—	75,000	296,676
2013	74,945	30.53	—	—
2012	32,265	30.78	—	—
2011	32,265	29.46	—	—
Maryland Premium Income (NMY)				
Year Ended 5/31:				
2015	—	—	167,000	306,168
2014	—	—	167,000	311,383
2013	166,144	32.58	—	—
2012	74,593	32.42	—	—
2011	74,593	30.52	—	—

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	2014	2013	2012	2011
Georgia Dividend Advantage 2 (NKG)				
Series 2015 (NKG PRC)				
Ending Market Value per Share	$ —	$ 10.08	$ 10.10	$ 10.06
Average Market Value per Share	10.03Δ	10.08	10.07	10.02
Series 2015-1 (NKG PRD)(b)				
Ending Market Value per Share	—	10.10	—	—
Average Market Value per Share	10.04Δ	10.07	—	—
Series 2015-2 (NKG PRE)(b)				
Ending Market Value per Share	—	10.12	—	—
Average Market Value per Share	10.03Δ	10.07	—	—
Maryland Premium Income (NMY)				
Series 2015 (NMY PRC)				
Ending Market Value per Share	—	10.06	10.06	10.09
Average Market Value per Share	10.04Δ	10.09	10.10	10.04
Series 2016 (NMY PRD)				
Ending Market Value per Share	—	10.16	10.11	10.10
Average Market Value per Share	10.07Δ	10.17	10.14	10.04^
Series 2015 (NMY PRE)(b)				
Ending Market Value per Share	—	10.05	—	—

Average Market Value per Share	10.03Δ	10.07	—	—
Series 2015-1(NMY PRF)(b)				
Ending Market Value per Share	—	10.06	—	—
Average Market Value per Share	10.03Δ	10.07	—	—
Series 2015-1(NMY PRG)(b)				
Ending Market Value per Share	—	10.05	—	—
Average Market Value per Share	10.04Δ	10.08	—	—
Series 2016 (NMY PRH)(b)				
Ending Market Value per Share	—	10.13	—	—
Average Market Value per Share	10.07Δ	10.14	—	—

(b) MTP Shares issued in connection with the reorganizations.
^ For the period March 15, 2011 (first issuance date of shares) through May 31, 2011.
For the period July 9, 2012 (effective date of the reorganizations) through May 31, 2013.
For the period August 6, 2012 (effective date of the reorganizations) through May 31, 2013.
Δ For the period June 1, 2013 through May 30, 2014.

See accompanying notes to financial statements.

	RPS at the End of Period		MTP Shares at the End of Period(a)		VMTP Shares at the End of Period	
	Aggregate Amount Outstanding (000)	Asset Coverage Per $25,000 Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $10 Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $100,000 Share
Minnesota Municipal Income (NMS)						
Year Ended 5/31:						
2015(b)	$ —	$ —	$ —	$ —	$ 44,100	$ 295,352
Year Ended 6/30:						
2014(c)	—	—	—	—	31,100	307*
Year Ended 8/31:						
2013	31,100	73*	—	—	—	—
2012	31,100	79*	—	—	—	—
2011	31,100	74*	—	—	—	—
2010	31,100	76*	—	—	—	—
2009	31,100	70*	—	—	—	—
Missouri Premium Income (NOM)						
Year Ended 5/31:						
2015	—	—	—	—	18,000	280,372
2014	—	—	17,880	28.50	—	—
2013	—	—	17,880	29.02	—	
2012	—	—	17,880	29.00	—	—
2011	—	—	17,880	27.11	—	—

* Rounded to the nearest thousand (000).

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	2015	2014	2013	2012	2011
Missouri Premium Income (NOM)					
Series 2015 (NOM PRC)					
Ending Market Value per Share	$ —	$ 10.06	$ 10.03	$ 10.40	$ 13.88
Average Market Value per Share	10.03ΔΔ	10.04	10.08	9.98	15.41Δ

(b) For the eleven months ended May 31, 2015.

(c) For the ten months ended June 30, 2014.

Δ For the period November 9, 2010 (first issuance date of shares) through May 31, 2011.

ΔΔ For the period June 1, 2014, through February 9, 2015.

See accompanying notes to financial statements.

Financial Highlights (continued)

	MTP Shares at the End of Period(a)		VMTP Shares at the End of Period		VRDP Shares at the End of Period	
	Aggregate Amount Outstanding (000)	Asset Coverage Per $10 Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $100,000 Share	Aggregate Amount Outstanding (000)	Asset Coverage Per $100,000 Share
North Carolina Premium Income (NNC)						
Year Ended 5/31:						
2015	$ —	$ —	$ 125,000	$ 297,055	$ —	$ —
2014	—	—	125,000	297,193	—	—
2013	124,860	29.91	—	—	—	—
2012	49,835	29.56	—	—	—	—
2011	49,835	28.31	—	—	—	—
Virginia Premium Income (NPV)						
Year Ended 5/31:						
2015	—	—	—	—	128,000	303,206
2014	—	—	—	—	128,000	302,787
2013	127,408	31.65	—	—	—	—
2012	61,408	32.98	—	—	—	—
2011	61,408	31.18	—	—	—	—

(a) The Ending and Average Market Value Per Share for each Series of the Fund's MTP Shares were as follows:

	2014	2013	2012	2011
North Carolina Premium Income (NNC)				
Series 2015 (NNC PRC)				
Ending Market Value per Share	$ —	$ 10.07	$ 10.11	$ 10.04
Average Market Value per Share	10.03^	10.10	10.09	10.04
Series 2016 (NNC PRD)				
Ending Market Value per Share	—	10.08	10.10	10.00
Average Market Value per Share	10.04^	10.09	10.07	9.94Δ
Series 2015 (NNC PRE)(b)				
Ending Market Value per Share	—	10.06	—	—
Average Market Value per Share	10.03^	10.07	—	—
Series 2015-1 (NNC PRF)(b)				
Ending Market Value per Share	—	10.06	—	—
Average Market Value per Share	10.03^	10.07	—	—
Series 2015-1 (NNC PRG)(b)				
Ending Market Value per Share	—	10.06	—	—
Average Market Value per Share	10.03^	10.07	—	—
Virginia Premium Income (NPV)				
Series 2014 (NPV PRA)				

Ending Market Value per Share	—	10.03	10.12	10.03
Average Market Value per Share	10.01^^	10.08	10.10	10.02*
Series 2015 (NPV PRC)				
Ending Market Value per Share	—	10.09	10.13	10.01
Average Market Value per Share	10.04^^	10.09	10.09	10.07
Series 2014 (NPV PRD)(b)				
Ending Market Value per Share	—	10.06	—	—
Average Market Value per Share	10.04^^	10.09	—	—
Series 2014-1 (NPV PRE)(b)				
Ending Market Value per Share	—	10.09	—	—
Average Market Value per Share	10.04^^	10.09	—	—

(b) MTP Shares issued in connection with the reorganizations.
Δ For the period December 14, 2010 (first issuance date of shares) through May 31, 2011.
* For the period March 14, 2011 (first issuance date of shares) through May 31, 2011.
For the period July 9, 2012 (effective date of the reorganizations) through May 31, 2013.
For the period August 6, 2012 (effective date of the reorganizations) through May 31, 2013.
^ For the period June 1, 2013 through March 3, 2014.
^^ For the period June 1, 2013 through September 9, 2013.

See accompanying notes to financial statements.

Notes to Financial Statements

1. General Information and Significant Accounting Policies

General Information

Fund Information
The state funds covered in this report and their corresponding New York Stock Exchange ("NYSE") or NYSE MKT symbols are as follows (each a "Fund" and collectively, the "Funds"):

- Nuveen Georgia Dividend Advantage Municipal Fund 2 (NKG) ("Georgia Dividend Advantage 2 (NKG)")
- Nuveen Maryland Premium Income Municipal Fund (NMY) ("Maryland Premium Income (NMY)")
- Nuveen Minnesota Municipal Income Fund (NMS) ("Minnesota Municipal Income (NMS)")
- Nuveen Missouri Premium Income Municipal Fund (NOM) ("Missouri Premium Income (NOM)")
- Nuveen North Carolina Premium Income Municipal Fund (NNC) ("North Carolina Premium Income (NNC)")
- Nuveen Virginia Premium Income Municipal Fund (NPV) ("Virginia Premium Income (NPV)")

The Funds are registered under the Investment Company Act of 1940, as amended, as diversified closed-end management investment companies. Common shares of Georgia Dividend Advantage 2 (NKG), Maryland Premium Income (NMY), Minnesota Municipal Income (NMS) North Carolina Premium Income (NNC) and Virginia Premium Income (NPV) are traded on the NYSE while common shares of Missouri Premium Income (NOM) are traded on the NYSE MKT. Georgia Dividend Advantage 2 (NKG), Minnesota Municipal Income (NMS) and Missouri Premium Income (NOM) were organized as Massachusetts business trusts on October 26, 2001, April 28, 2014 and March 29, 1993, respectively. Maryland Premium Income (NMY), North Carolina Premium Income (NNC) and Virginia Premium Income (NPV) were organized as Massachusetts business trusts on January 12, 1993.

The end of the reporting period for the Funds is May 31, 2015, and the period covered by these Notes to Financial Statements is the fiscal year ended May 31, 2015 ("the current fiscal period").

Investment Adviser
The Funds' investment adviser is Nuveen Fund Advisors, LLC (the "Adviser"), a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). The Adviser is responsible for each Fund's overall investment strategy and asset allocation decisions. The Adviser has entered into sub-advisory agreements with Nuveen Asset Management, LLC (the "Sub-Adviser"), a subsidiary of the Adviser, under which the Sub-Adviser manages the investment portfolios of the Funds.

Investment Objectives and Principal Investment Strategies
Each Fund seeks to provide current income exempt from both regular federal and designated state income taxes by investing primarily in a portfolio of municipal obligations issued by state and local government authorities within a single state or certain U.S. territories.

Fund Mergers
Minnesota Municipal Income (NMS) was formed from the merger of the following two closed-end funds (each a "Target Fund" and collectively, the "Target Funds") advised by U.S. Bancorp Asset Management, Inc. with and into a wholly-owned subsidiary of Minnesota Municipal Income (NMS) (the "Merger Sub") (the "Mergers"):

- Minnesota Municipal Income Portfolio Inc. (MXA) ("Minnesota Municipal Income Portfolio (MXA)"),
- First American Minnesota Municipal Income Fund II (MXN) ("Minnesota Municipal Income Fund II (MXN)"),

Minnesota Municipal Income Portfolio (MXA) is treated as the survivor of the Mergers for accounting and performance reporting purposes. Accordingly, all performance and other information shown for Minnesota Municipal Income (NMS) for periods prior to October 6, 2014, is that of Minnesota Municipal Income Portfolio (MXA). Minnesota Municipal Income Portfolio's (MXA) previous fiscal year end was June 30, 2014, and therefore Minnesota Municipal Income's (NMS) reporting period for this report is from July 1, 2014 through May 31, 2015.

The Mergers became effective prior to the opening of business on October 6, 2014. Upon the closing of the Mergers, each Target Fund merged with and into the Merger Sub. Shareholders of each Target Fund received newly issued shares of Minnesota Municipal Income (NMS), the aggregate net asset value ("NAV") of which was equal to the aggregate NAV of the shares of each Target Fund held immediately prior to the Mergers (including for this purpose fractional Fund shares to which shareholders would have been entitled). Following completion of the Mergers, the Merger Sub distributed its assets to Minnesota Municipal Income (NMS), and Minnesota Municipal Income (NMS), assumed the liabilities of the Merger Sub, in complete

Notes to Financial Statements (continued)

liquidation and dissolution of the Merger Sub. As a result of the Mergers, the assets of the Target Funds were combined, and the shareholders of each Target Fund became shareholders of Minnesota Municipal Income (NMS). Details of the Mergers are further described in Note 8 – Fund Mergers.

Significant Accounting Policies
Each Fund is an investment company and follows accounting and reporting guidance under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 946 "Financial Services – Investment Companies." The following is a summary of significant accounting policies followed by the Funds in the preparation of their financial statements in accordance with U.S. generally accepted accounting principles ("U.S. GAAP").

Investment Transactions
Investment transactions are recorded on a trade date basis. Realized gains and losses from transactions are determined on the specific identification method, which is the same basis used for federal income tax purposes. Investments purchased on a when-issued/delayed delivery basis may have extended settlement periods. Any investments so purchased are subject to market fluctuation during this period. The Funds have instructed the custodian to earmark securities in the Funds' portfolios with a current value at least equal to the amount of the when-issued/delayed delivery purchase commitments. As of the end of the reporting period, the Funds' outstanding when-issued/delayed delivery purchase commitments were as follows:

	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Outstanding when-issued/delayed delivery purchase commitments	$ —	$ 1,026,655	$ 4,897,292	$ —	$ —	$ 8,957,155

Investment Income
Investment income, which reflects the amortization of premiums and accretion of discounts for financial reporting purposes, is recorded on an accrual basis. Investment income also reflects paydown gains and losses, if any.

Professional Fees
Professional fees presented on the Statement of Operations consist of legal fees incurred in the normal course of operations, audit fees, tax consulting fees and, in some cases, workout expenditures. Workout expenditures are incurred in an attempt to protect or enhance an investment or to pursue other claims or legal actions on behalf of Fund shareholders. If a refund is received for workout expenditures paid in a prior reporting period, such amounts will be recognized as "Legal fee refund" on the Statements of Operations.

Dividends and Distributions to Common Shareholders
Dividends from net investment income are declared monthly. Net realized capital gains and/or market discount from investment transactions, if any, are distributed to shareholders at least annually. Furthermore, capital gains are distributed only to the extent they exceed available capital loss carryforwards.

Distributions to common shareholders of net investment income, net realized capital gains and/or market discount, if any, are recorded on the ex-dividend date. The amount and timing of distributions are determined in accordance with federal income tax regulations, which may differ from U.S. GAAP.

Indemnifications

Under the Funds' organizational documents, their officers and trustees are indemnified against certain liabilities arising out of the performance of their duties to the Funds. In addition, in the normal course of business, the Funds enter into contracts that provide general indemnifications to other parties. The Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Funds that have not yet occurred. However, the Funds have not had prior claims or losses pursuant to these contracts and expect the risk of loss to be remote.

Netting Agreements

In the ordinary course of business, the Funds may enter into transactions subject to enforceable International Swaps and Derivative Association, Inc. ("ISDA") master agreements or other similar arrangements ("netting agreements"). Generally, the right to offset in netting agreements allows each Fund to offset certain securities and derivatives with a specific counterparty as well as any collateral received or delivered to that counterparty based on the terms of the agreements. Generally, each Fund manages its cash collateral and securities collateral on a counterparty basis.

The Funds' investments subject to netting agreements as of the end of the reporting period, if any, are further described in Note 3 – Portfolio Securities and investments in Derivatives.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets applicable to common shares from operations during the reporting period. Actual results may differ from those estimates.

2. Investment Valuation and Fair Value Measurements
The fair valuation input levels as described below are for fair value measurement purposes.

Fair value is defined as the price that would be received upon selling an investment or transferring a liability in an orderly transaction to an independent buyer in the principal or most advantageous market for the investment. A three-tier hierarchy is used to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Observable inputs reflect the assumptions market participants would use in pricing the asset or liability. Observable inputs are based on market data obtained from sources independent of the reporting entity. Unobservable inputs reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability. Unobservable inputs are based on the best information available in the circumstances. The following is a summary of the three-tiered hierarchy of valuation input levels.

Level 1 – Inputs are unadjusted and prices are determined using quoted prices in active markets for identical securities.

Level 2 – Prices are determined using other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 – Prices are determined using significant unobservable inputs (including management's assumptions in determining the fair value of investments).

Prices of fixed income securities are provided by a pricing service approved by the Funds' Board of Trustees (the "Board"). The pricing service establishes a security's fair value using methods that may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2. In pricing certain securities, particularly less liquid and lower quality securities, the pricing service may consider information about a security, its issuer or market activity, provided by the Adviser. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs.

Prices of swap contracts are also provided by a pricing service approved by the Board using the same methods as described above, and are generally classified as Level 2.

Common stocks and other equity-type securities are valued at the last sales price on the securities exchange on which such securities are primarily traded and are generally classified as Level 1. Securities primarily traded on the NASDAQ National Market ("NASDAQ") are valued at the NASDAQ Official Closing Price and are generally classified as Level 1. However, securities traded on a securities exchange or NASDAQ for which there were no transactions on a given day or securities not listed on a securities exchange or NASDAQ are valued at the quoted bid price and are generally classified as Level 2.

Certain securities may not be able to be priced by the pre-established pricing methods as described above. Such securities may be valued by the Board and/or its appointee at fair value. These securities generally include, but are not limited to, restricted securities (securities which may not be publicly sold without registration under the Securities Act of 1933, as amended) for which a pricing service is unable to provide a market price; securities whose trading has been formally suspended; debt securities that have gone into default and for which there is no current market quotation; a security whose market price is not available from a pre-established pricing source; a security with respect to which an event has occurred that is likely to materially affect the value of the security after the market has closed but before the calculation of a Fund's NAV (as may be the case in non-U.S. markets on which the security is primarily traded) or make it difficult or impossible to obtain a reliable market quotation; and a security whose price, as provided by the pricing service, is not deemed to reflect the security's fair value. As a general principle, the fair value of a security would appear to be the amount that the owner might reasonably expect to receive for it in a current sale. A variety of factors may be considered in determining the fair value of such securities, which may include consideration of the following: yields or prices of investments of comparable quality, type of issue, coupon, maturity and rating, market quotes or indications of value from security dealers, evaluations of anticipated cash flows or collateral, general market conditions and other information and analysis, including the obligor's credit characteristics considered relevant. These securities are generally classified as Level 2 or Level 3 depending on the priority of the significant inputs. Regardless of the method employed to value a particular security, all valuations are subject to review by the Board and/or its appointee.

The inputs or methodologies used for valuing securities are not an indication of the risks associated with investing in those securities. The following is a summary of each Fund's fair value measurements as of the end of the reporting period:

Georgia Dividend Advantage 2 (NKG)	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Municipal Bonds	$ —	$ 221,640,688	$ 905,616***	$ 222,546,304
Investments in Derivatives:				
Credit Default Swaps**	—	25,771	—	25,771
Total	$ —	$ 221,666,459	$ 905,616	$ 222,572,075
Maryland Premium Income (NMY)				
Long-Term Investments*:				
Municipal Bonds	$ —	$ 513,862,468	$ —	$ 513,862,468
Common Stocks	1,889,999	—	—	1,889,999
Total	$ 1,889,999	$ 513,862,468	$ —	$ 515,752,467

Notes to Financial Statements (continued)

Minnesota Municipal Income (NMS)	Level 1	Level 2	Level 3	Total
Long-Term Investments*:				
Municipal Bonds	$ —	$ 131,549,827	$ —	$ 131,549,827
Missouri Premium Income (NOM)				
Long-Term Investments*:				
Municipal Bonds	$ —	$ 50,654,112	$ —	$ 50,654,112
North Carolina Premium Income (NNC)				
Long-Term Investments*:				
Municipal Bonds	$ —	$ 365,309,094	$ —	$ 365,309,094
Investments in Derivatives:				
Credit Default Swaps**	—	43,394	—	43,394
Total	$ —	$ 365,352,488	$ —	$ 365,352,488
Virginia Premium Income (NPV)				
Long-Term Investments*:				
Municipal Bonds	$ —	$ 386,257,963	$ —	$ 386,257,963

* Refer to the Fund’s Portfolio of Investments for industry classifications.

** Represents net unrealized appreciation (depreciation) as reported in the Fund’s Portfolio of Investments.

*** Refer to the Fund’s Portfolio of Investments for a breakdown of securities classified as Level 3.

The Board is responsible for the valuation process and has appointed the oversight of the daily valuation process to the Adviser’s Valuation Committee. The Valuation Committee, pursuant to the valuation policies and procedures adopted by the Board, is responsible for making fair value determinations, evaluating the effectiveness of the Funds’ pricing policies and reporting to the Board. The Valuation Committee is aided in its efforts by the Adviser’s dedicated Securities Valuation Team, which is responsible for administering the daily valuation process and applying fair value methodologies as approved by the Valuation Committee. When determining the reliability of independent pricing services for investments owned by the Funds, the Valuation Committee, among other things, conducts due diligence reviews of the pricing services and monitors the quality of security prices received through various testing reports conducted by the Securities Valuation Team.

The Valuation Committee will consider pricing methodologies it deems relevant and appropriate when making a fair value determination, based on the facts and circumstances specific to the portfolio instrument. Fair value determinations generally will be derived as follows, using public or private market information:

(i) If available, fair value determinations shall be derived by extrapolating from recent transactions or quoted prices for identical or comparable securities.

(ii) If such information is not available, an analytical valuation methodology may be used based on other available information including, but not limited to: analyst appraisals, research reports, corporate action information, issuer financial statements and shelf registration statements. Such analytical valuation methodologies may include, but are not limited to: multiple of earnings, discount from market value of a similar freely-traded security, discounted cash flow analysis, book value or a multiple thereof, risk premium/yield analysis, yield to maturity and/or fundamental investment analysis.

The purchase price of a portfolio instrument will be used to fair value the instrument only if no other valuation methodology is available or deemed appropriate, and it is determined that the purchase price fairly reflects the instrument’s current value.

For each portfolio security that has been fair valued pursuant to the policies adopted by the Board, the fair value price is compared against the last available and next available market quotations. The Valuation Committee reviews the results of such testing and fair valuation occurrences are reported to the Board.

3. Portfolio Securities and Investments in Derivatives

Portfolio Securities

Inverse Floating Rate Securities

Each Fund is authorized to invest in inverse floating rate securities. An inverse floating rate security is created by depositing a municipal bond (referred to as an "Underlying Bond"), typically with a fixed interest rate, into a special purpose trust (referred to as the "Trust") created by or at the direction of one or more Funds. In turn, the Trust issues (a) floating rate certificates (referred to as "Floaters"), in face amounts equal to some fraction of the Underlying Bond's par amount or market value, and (b) an inverse floating rate certificate (referred to as an "Inverse Floater") that represents all remaining or residual interest in the Trust. Floaters typically pay short-term tax-exempt interest rates to third parties who are also provided a right to tender their certificate and receive its par value, which may be paid from the proceeds of a remarketing of the Floaters, by a loan to the Trust from a third party liquidity provider, or by the sale of assets from the Trust. The Inverse Floater is issued to a long term investor, such as one or more of the Funds. The income received by the Inverse Floater holder varies inversely with the short-term rate paid to holders of the Floaters, and in most circumstances the Inverse Floater holder bears substantially all of the Underlying Bond's downside investment risk and also benefits disproportionately from any potential appreciation of the Underlying Bond's value. The value of an Inverse Floater will be more volatile than that of the Underlying Bond because the interest rate is dependent on not only the fixed coupon rate of the Underlying Bond but also on the short-term interest paid on the Floaters, and because the Inverse Floater essentially bears the risk of loss of the greater face value of the Underlying Bond.

The Inverse Floater held by a Fund gives the Fund the right to (a) cause the holders of the Floaters to tender their certificates at par, and (b) have the trustee of the Trust transfer the Underlying Bond held by the Trust to the Fund, thereby collapsing the Trust.

The Fund may acquire an Inverse Floater in a transaction where it (a) transfers an Underlying Bond that it owns to a Trust created by a third party or (b) transfers an Underlying Bond that it owns, or that it has purchased in a secondary market transaction for the purpose of creating an Inverse Floater, to a Trust created at its direction, and in return receives the Inverse Floater of the Trust (referred to as a "self-deposited Inverse Floater"). A Fund may also purchase an Inverse Floater in a secondary market transaction from a third party creator of the Trust without first owning the Underlying Bond (referred to as an "externally-deposited Inverse Floater").

An investment in a self-deposited Inverse Floater is accounted for as a "financing" transaction (i.e., a secured borrowing). For a self-deposited Inverse Floater, the Underlying Bond deposited into the Trust is identified in the Fund's Portfolio of Investments as "(UB) – Underlying bond of an inverse floating rate trust reflected as a financing transaction," with the Fund recognizing the Floaters issued by the Trust as liabilities, at their liquidation value on the Statement of Assets and Liabilities as "Floating rate obligations." In addition, the Fund recognizes in "Investment Income" the entire earnings of the Underlying Bond and recognizes the related interest paid to the holders of the Floaters as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

In contrast, an investment in an externally-deposited Inverse Floater is accounted for as a purchase of the inverse floater and is identified in the Fund's Portfolio of Investments as "(IF) – Inverse floating rate investment." For an externally-deposited Inverse Floater, a Fund's Statement of Assets and Liabilities recognizes the Inverse Floater and not the Underlying Bond as an asset, and the Fund does not recognize the Floaters as a liability. Additionally, the Fund reflects in "Investment Income" only the net amount of earnings on the Inverse Floater (net of the interest paid to the holders of the Floaters and the expenses of the Trust), and does not show the amount of that interest paid as an interest expense on the Statement of Operations.

The average floating rate obligations outstanding and average annual interest rate and fees related to self-deposited Inverse Floaters during the current fiscal period were as follows:

Self-Deposited Inverse Floaters	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Average floating rate obligations outstanding	$ 3,245,000	$ 18,797,041	$ —	$ 2,225,000	$ —	$ 9,250,000
Average annual interest rate and fees	0.68%	0.66%	—%	0.23%	—%	0.32%

As of the end of the reporting period, the total amount of floating rate obligations issued by each Fund's self-deposited inverse floaters and externally-deposited inverse floaters was as follows:

Floating Rate Obligations Outstanding	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Floating rate obligations: self-deposited Inverse Floaters	$ 3,245,000	$ 16,810,000	$ —	$ 2,225,000	$ —	$ 9,250,000
Floating rate obligations: externally-deposited Inverse Floaters	5,635,000	—	—	—	—	20,070,000
Total	$ 8,880,000	$ 16,810,000	$ —	$ 2,225,000	$ —	$ 29,320,000

Each Fund may also enter into shortfall and forbearance agreements (sometimes referred to as a "recourse arrangement" or "credit recovery swap") (Trusts involving such agreements are referred to herein as "Recourse Trusts"), under which a Fund agrees to reimburse the liquidity provider for the Trust's Floaters, in certain circumstances, for the amount (if any) by which the liquidation value of the Underlying Bond held by the Trust may fall short of the liquidation value of the Floaters issued by the Trust, plus any shortfalls in interest cash flows. Under these agreements, a Fund's potential exposure to losses related to or on an Inverse Floater may increase beyond the value of the Inverse Floater as a Fund may potentially be liable to fulfill all amounts owed to holders of the Floaters. At period end, any such shortfall amount in the aggregate is recognized as "Unrealized depreciation on Recourse Trusts" on the Statement of Assets and Liabilities.

Notes to Financial Statements (continued)

As of the end of the reporting period, each Fund's maximum exposure to the floating rate obligations issued by externally-deposited Recourse Trusts was as follows:

Floating Rate Obligations-Externally-Deposited Recourse Trusts	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Maximum exposure to Recourse Trusts	$ —	$ —	$ —	$ —	$ —	$ 13,330,000

Zero Coupon Securities

A zero coupon security does not pay a regular interest coupon to its holders during the life of the security. Income to the holder of the security comes from accretion of the difference between the original purchase price of the security at issuance and the par value of the security at maturity and is effectively paid at maturity. The market prices of zero coupon securities generally are more volatile than the market prices of securities that pay interest periodically.

Investments in Derivatives

In addition to the inverse floating rate securities in which each Fund may invest, which are considered portfolio securities for financial reporting purposes, each Fund is authorized to invest in certain derivative investments, such as futures, options and swap contracts. Each Fund will limit its investments in futures, options on futures and swap contracts to the extent necessary for the Adviser to claim exclusion from registration by the Commodity Futures Trading Commission as a commodity pool operator with respect to the Fund. The Funds record derivative instruments at fair value, with changes in fair value recognized on the Statement of Operations, when applicable. Even though the Funds' investments in derivatives may represent economic hedges, they are not considered to be hedge transactions for financial reporting purposes.

Credit Default Swaps

A Fund may enter into a credit default swap contract to seek to maintain a total return on a particular investment or portion of its portfolio, or to take an active long or short position with respect to the likelihood of a particular issuer's default. Credit default swap contracts involve one party making a stream of payments to another party in exchange for the right to receive a specified return if/when there is a credit event by a third party. Generally, a credit event means bankruptcy, failure to pay, or restructuring. The specific credit events applicable for each credit default swap are stated in the terms of the particular swap agreement. Upon occurrence of a specific credit event with respect to the underlying referenced entity, the Fund will either (i) receive that security, or an equivalent amount of cash, from the counterparty in exchange for payment of the notional amount to the counterparty, or (ii) pay a net settlement amount of the credit default swap contract less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The difference between the value of the security delivered and the notional amount received is recorded as a realized gain or loss. Payments received or made at the beginning of the measurement period are recognized as a component of "Credit default swaps premiums paid and/or received" on the Statement of Assets and Liabilities, when applicable.

Credit default swap contracts are valued daily. Changes in the value of a credit default swap during the fiscal period are recognized as a component of "Change in net unrealized appreciation (depreciation) of swaps" and realized gains and losses are recognized as a component of "Net realized gain (loss) from swaps" on the Statement of Operations.

For over-the-counter swaps, the daily change in the market value of the swap contract, along with any daily interest fees accrued, are recognized as components of “Unrealized appreciation or depreciation on credit default swaps (, net)” on the Statement of Assets and Liabilities.

Investments in swaps cleared through an exchange obligate a Fund and the clearing broker to settle monies on a daily basis representing changes in the prior days “mark-to-market” of the swap. If a Fund has unrealized appreciation the clearing broker would credit the Fund’s account with an amount equal to the appreciation and conversely if a Fund has unrealized depreciation the clearing broker would debit a Fund’s account with an amount equal to the depreciation. These daily cash settlements are also known as “variation margin.” Variation margin is recognized as a receivable and/or payable for “Variation margin on swap contracts” on the Statement of Assets and Liabilities. The maximum potential amount of future payments the Fund could incur as a seller of protection in a credit default swap contract is limited to the notional amount of the contract. The maximum potential amount would be offset by the recovery value, if any, of the respective referenced entity. In certain instances, a Fund is obligated to deposit cash or eligible securities, also known as “initial margin,” into an account at its clearing broker equal to a specified percentage of the contract amount. Cash held by the broker to cover initial margin requirements on open swap contracts, if any, is recognized as “Cash collateral at brokers” on the Statement of Assets and Liabilities.

During the current fiscal period, Georgia Dividend Advantage 2 (NKG) and North Carolina Premium Income (NNC) invested in credit default swaps to manage credit risk by purchasing credit protection.

The average notional amount of credit default swap contracts outstanding during the current fiscal period was as follows:

	Georgia Dividend Advantage 2 (NKG)	North Carolina Premium Income (NNC)
Average notional amount of credit default swap contracts outstanding*	$ 906,000	$ 1,522,000

* The average notional amount is calculated based on the outstanding notional at the beginning of the fiscal year and at the end of each fiscal quarter within the current fiscal year.

The following table presents the fair value of all swap contracts held by the Funds as of the end of the reporting period, the location of these instruments on the Statement of Assets and Liabilities and the primary underlying risk exposure.

		Location on the Statement of Assets and Liabilities			
		Asset Derivatives		(Liability) Derivatives	
Underlying Risk Exposure	Derivative Instrument	Location	Value	Location	Value
Georgia Dividend Advantage 2 (NKG)					
Credit	Swaps	Unrealized appreciation on credit default swaps**	$ 25,771	—	$ —
North Carolina Premium Income (NNC)					
Credit	Swaps	Unrealized appreciation on credit default swaps**	$ 43,394	—	$ —

** Some swap contracts require a counterparty to pay or receive a premium, which is disclosed on the Statement of Assets and Liabilities and not reflected in the cumulative unrealized appreciation (depreciation) presented above.

The following table presents the swap contracts subject to netting agreements and the collateral delivered related to those swap contracts as of the end of the reporting period.

Fund	Counterparty	Gross Unrealized Appreciation on Credit Default Swaps***	Gross Unrealized (Depreciation) on Credit Default Swaps***	Amounts Netted on Statement of Assets and Liabilities	Net Unrealized Appreciation (Depreciation) on Credit Default Swaps	Collateral Pledged to (from) Counterparty	Net Exposure
Georgia Dividend Advantage	Citibank N.A.	$ 25,771	$ —	$ —	$ 25,771	$ (25,771)	$ —

2 (NKG)							
North Carolina Premium Income (NNC)	Citibank N.A.	43,394	—	—	43,394	(43,394)	—

*** Represents gross unrealized appreciation (depreciation) for the counterparty as reported in the Fund's Portfolio of Investments.

The following table presents the amount of net realized gain (loss) and change in net unrealized appreciation (depreciation) recognized on swap contracts on the Statement of Operations during the current fiscal period, and the primary underlying risk exposure.

Fund	Underlying Risk Exposure	Derivative Instrument	Net Realized Gain (Loss) From Swaps	Change in Net Unrealized Appreciation (Depreciation) of Swaps
Georgia Dividend Advantage 2 (NKG)	Credit	Swaps	$ (26,267)	$ 25,771
North Carolina Premium Income (NNC)	Credit	Swaps	(46,000)	43,394

Market and Counterparty Credit Risk

In the normal course of business each Fund may invest in financial instruments and enter into financial transactions where risk of potential loss exists due to changes in the market (market risk) or failure of the other party to the transaction to perform (counterparty credit risk). The potential loss could exceed the value of the financial assets recorded on the financial statements. Financial assets, which potentially expose each Fund to counterparty credit risk, consist principally of cash due from counterparties on forward, option and swap transactions, when applicable. The extent of each Fund's exposure to counterparty credit risk in respect to these financial assets approximates their carrying value as recorded on the Statement of Assets and Liabilities.

Each Fund helps manage counterparty credit risk by entering into agreements only with counterparties the Adviser believes have the financial resources to honor their obligations and by having the Adviser monitor the financial stability of the counterparties. Additionally, counterparties may be required to pledge collateral daily (based on the daily valuation of the financial asset) on behalf of each Fund with a value approximately equal to the amount of any unrealized gain above a pre-determined threshold. Reciprocally, when each Fund has an unrealized loss, the Funds have instructed the custodian to pledge assets of the Funds as collateral with a value approximately equal to the amount of the unrealized loss above a pre-determined threshold. Collateral pledges are monitored and subsequently adjusted if and when the valuations fluctuate, either up or down, by at least the pre-determined threshold amount.

Notes to Financial Statements (continued)

4. Fund Shares

Common Shares

Common Shares Equity Shelf Programs and Offering Costs
Virginia Premium Income (NPV) has filed a registration statement with the Securities and Exchange Commission ("SEC") authorizing the Fund to issue 1.7 million additional common shares through an equity shelf program ("Shelf Offering"), which became effective with the SEC during the prior fiscal period.

Under this Shelf Offering, the Fund, subject to market conditions, may raise additional equity capital from time to time in varying amounts and offering methods at a net price at or above the Fund's NAV per common share.

Common shares authorized, common shares issued and offering proceeds, net of offering costs under the Fund's Shelf Offering during the Fund's current and prior fiscal periods, were as follows:

	Virginia Premium Income (NPV)	
	Year Ended 5/31/15	Year Ended 5/31/14
Common shares authorized	1,700,000	1,700,000*
Common shares issued	—	—
Offering proceeds, net of offering costs	—	—

* Shelf Offering declared effective by the SEC during the prior fiscal period.

As of September 30, 2014, Virginia Premium Income's (NPV) shelf offering registration statement is no longer current. Therefore, the Fund may not issue additional common shares under its equity shelf program until a post-effective amendment to the registration statement is filed with the SEC.

Costs incurred by the Fund in connection with its Shelf Offering were recorded as a deferred charge and recognized as a component of "Deferred offering costs" on the Statement of Assets and Liabilities. The deferred asset is reduced during the one-year period that additional shares are sold by reducing the proceeds from such sales and is recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets, when applicable. At the end of the one-year life of the Shelf Offering period, or when the Funds' shelf offering registration statement is no longer effective, any remaining deferred charges will be expensed accordingly and recognized as a component of "Shelf offering expenses" on the Statement of Operations. Any additional costs the Fund may incur in connection with its Shelf Offering are expensed as incurred and recognized as a component of "Proceeds from shelf offering, net of offering costs" on the Statement of Changes in Net Assets, when applicable.

During Virginia Premium Income's (NPV) current and prior fiscal period the Fund did not issue additional shares. As a result, during the current fiscal period, the Adviser reimbursed Virginia Premium Income (NPV) for half of the costs incurred in connection with the Shelf Offering, which is recognized as "Expense reimbursement" on the Statement of Operations.

Common Share Transactions
Transactions in common shares during the Funds' current and prior fiscal periods were as follows:

	Georgia Dividend Advantage 2 (NKG)		Maryland Premium Income (NMY)		Minnesota Municipal Income (NMS)		
	Year Ended 5/31/15	Year Ended 5/31/14	Year Ended 5/31/15	Year Ended 5/31/14	Eleven Months Ended 5/31/15	Ten Months Ended 6/30/14	Year Ended 8/31/13
Common shares:							
Shares sold	—	—	—	—	2	—	—
Issued in the Mergers	—	—	—	—	1,424,061	—	—
Repurchased and retired	—	—	(504,100)	—	—	—	—
Weighted average common share:							
Price per share repurchased and retired	—	—	$ 12.58	—	—	—	—
Discount per share repurchased and retired	—	—	13.98%	—	—	—	—

	Missouri Premium Income (NOM)		North Carolina Premium Income (NNC)		Virginia Premium Income (NPV)	
	Year Ended 5/31/15	Year Ended 5/31/14	Year Ended 5/31/15	Year Ended 5/31/14	Year Ended 5/31/15	Year Ended 5/31/14
Common shares:						
Issued to shareholders due to reinvestment of distributions	3,566	2,752	—	—	—	—
Repurchased and retired	—	—	(107,500)	—	—	—
Weighted average common share:						
Price per share repurchased and retired	—	—	$ 13.02	—	—	—
Discount per share repurchased and retired	—	—	13.79%	—	—	—

Preferred Shares

MuniFund Term Preferred Shares
During the current fiscal period, Missouri Premium Income (NOM) had issued and outstanding MuniFund Term Preferred ("MTP") Shares, with a $10 liquidation value per share. The Fund's MTP Shares were issued in one or more Series and traded on the NYSE MKT.

On February 9, 2015, Missouri Premium Income (NOM) redeemed all of its outstanding Series 2015 MTP Shares. The Fund's MTP Shares were redeemed at their $10.00 liquidation value per share, plus dividend amounts owed, using proceeds from its issuance of Variable Rate MuniFund Term Preferred ("VMTP") Shares (as described below in Variable Rate MuniFund Term Preferred Shares).

The average liquidation value of MTP Shares outstanding for the Fund during the current fiscal period, was as follows:

	Missouri Premium Income (NOM)*
Average liquidation value of MTP Shares outstanding	$ 17,880,000

* For the period June 1, 2014 through February 9, 2015.

For financial reporting purposes, the liquidation value of MTP Shares is recorded as a liability and were recognized as "MuniFund Term Preferred ("MTP") Shares, at liquidation value" on the Statement of Assets and Liabilities. Dividends on MTP Shares, which are recognized as interest expense for financial reporting purposes, were paid monthly at a fixed annual rate, subject to adjustments in certain circumstances. Unpaid dividends on MTP Shares were recognized as a component of "Interest payable" on the Statement of Assets and Liabilities. Dividends accrued on MTP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. Costs incurred by the Fund in connection with its offering of MTP Shares was recorded as a deferred charge, which was amortized over the life of the shares and are recognized as components of "Deferred offering costs" on the Statement of Assets and Liabilities and "Interest expense and amortization of offering costs" on the Statement of

Operations.

In conjunction with Missouri Premium Income's (NOM) redemption of MTP Shares, the remaining deferred offering costs of $73,345, were fully expensed during the current fiscal period, as the redemptions were deemed an extinguishment of debt.

Variable Rate MuniFund Term Preferred Shares

The following Funds have issued and outstanding VMTP Shares, with a $100,000 liquidation value per share. VMTP Shares are issued via private placement and are not publically available.

As of the end of the reporting period, VMTP Shares outstanding, at liquidation value, for each Fund were as follows:

Fund	Series	Shares Outstanding		Shares Outstanding at $100,000 Per Share Liquidation Value
Georgia Dividend Advantage 2 (NKG)	2017	750	$	75,000,000
Maryland Premium Income (NMY)	2017	1,670	$	167,000,000
Minnesota Municipal Income (NMS)	2017*	441	$	44,100,000
Missouri Premium Income (NOM)	2018	180	$	18,000,000
North Carolina Premium Income (NNC)	2017	1,250	$	125,000,000

* Includes VMTP Shares resulting from the Mergers, as further described in Note 4 – Fund Shares.

Notes to Financial Statements (continued)

On January 30, 2015, Missouri Premium Income (NOM) issued 180 shares of Series 2018 VMTP in connection with the redemption of its outstanding MTP Shares.

Each Fund is obligated to redeem its VMTP Shares by the date as specified in its offering document ("Term Redemption Date"), unless earlier redeemed or repurchased by the Fund. VMTP Shares are subject to optional and mandatory redemption in certain circumstances. The VMTP Shares are subject to redemption at the option of each Fund ("Optional Redemption Date"), subject to payment of premium for one year following the date of issuance ("Premium Expiration Date"), and at par thereafter. Each Fund may be obligated to redeem certain of the VMTP Shares if the Fund fails to maintain certain asset coverage and leverage ratio requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends. The Term Redemption Date, Optional Redemption Date and Premium Expiration Date for each Fund's series of VMTP Shares are as follows:

Fund	Series	Term Redemption Date	Optional Redemption Date	Premium Expiration Date
Georgia Dividend Advantage 2 (NKG)	2017	June 1, 2017	June 1, 2015	May 31, 2015
Maryland Premium Income (NMY)	2017	June 1, 2017	June 1, 2015	May 31, 2015
Minnesota Municipal Income (NMS)	2017*	May 1, 2017	May 1, 2015	April 30, 2015
Missouri Premium Income (NOM)	2018	March 1, 2018	February 1, 2016	January 31, 2016
North Carolina Premium Income (NNC)	2017	March 1, 2017	March 1, 2015	April 30, 2015

* Includes VMTP Shares resulting from the Mergers, as further described in Note 8 – Fund Mergers.

The average liquidation value of VMTP Shares outstanding and annualized dividend rate for each Fund during the current fiscal period, were as follows:

	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)*	Missouri Premium Income (NOM)**	North Carolina Premium Income (NNC)
Average liquidation value of VMTP Shares outstanding	$ 75,000,000	$ 167,000,000	$ 40,313,213	$ 18,000,000	$ 125,000,000
Annualized dividend rate	0.97%	0.99%	1.03%	0.96%	0.99%

* For the period July 1, 2014 through May 31, 2015.

** For the period January 30, 2015 (first issuance of shares) through May 31, 2015.

VMTP Shares generally do not trade, and market quotations are generally not available. VMTP Shares are short-term or short/intermediate-term instruments that pay a variable dividend rate tied to a short-term index, plus an additional fixed "spread" amount established at the time of issuance. The fair value of VMTP Shares is expected to be approximately their liquidation par value so long as the fixed "spread" on the VMTP Shares remains roughly in line with the "spread" rates being demanded by investors on instruments having similar terms in the current market environment.

In present market conditions, the Funds' Adviser has determined that the fair value of VMTP Shares is their liquidation value, but their fair value could vary if market conditions change materially. For financial reporting purposes, the liquidation value of VMTP Shares is a liability and is recognized as "Variable Rate MuniFund Term Preferred ("VMTP") Shares, at liquidation value" on the Statement of Assets and Liabilities.

Dividends on the VMTP Shares (which are treated as interest payments for financial reporting purposes) are set weekly. Unpaid dividends on VMTP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities, when applicable. Dividends accrued on VMTP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations.

Costs incurred by the Funds in connection with their offerings of VMTP Shares, were recorded as a deferred charge which are amortized over the life of the shares and are recognized as components of "Deferred offering costs" on the Statement of Assets and Liabilities and "Interest expense and amortization of offering costs" on the Statement of Operations.

Missouri Premium Income (NOM) incurred offering costs of $200,000 in connection with its issuance of Series 2018 VMTP Shares.

Variable Rate Demand Preferred Shares

Virginia Premium Income (NPV) has issued and outstanding Variable Rate Demand Preferred ("VRDP") Shares, with a $100,000 liquidation value per share. VRDP Shares are issued via private placement and are not publicly available.

As of the end of the reporting period, details of the Fund's VRDP Shares outstanding were as follows:

Fund	Series	Shares Outstanding	Shares Outstanding at $100,000 Per Share Liquidation Value	Maturity
Virginia Premium Income (NPV)	1	1,280	$ 128,000,000	August 3, 2043

VRDP Shares include a liquidity feature that allows VRDP shareholders to have their shares purchased by a liquidity provider with whom the Fund has contracted in the event that purchase orders for VRDP Shares in a remarketing are not sufficient in number to be matched with the sale orders in that remarketing. The Fund is required to redeem any VRDP Shares that are still owned by the liquidity provider after six months of continuous, unsuccessful remarketing. The Fund pays an annual remarketing fee of 0.10% on the aggregate principal amount of all VRDP Shares outstanding. The Fund's VRDP Shares have successfully remarketed since issuance.

Dividends on the VRDP Shares (which are treated as interest payments for financial reporting purposes) are set weekly at a rate established by a remarketing agent; therefore, the market value of the VRDP Shares is expected to approximate its liquidation value. If remarketings for VRDP Shares are continuously unsuccessful for six months, the maximum rate is designed to escalate according to a specified schedule in order to enhance the remarketing agent's ability to successfully remarket the VRDP Shares.

Subject to certain conditions, VRDP Shares may be redeemed, in whole or in part, at any time at the option of the Fund. The Fund may also redeem certain of the VRDP Shares if the Fund fails to maintain certain asset coverage requirements and such failures are not cured by the applicable cure date. The redemption price per share is equal to the sum of the liquidation value per share plus any accumulated but unpaid dividends.

The average liquidation value of VRDP Shares outstanding and annualized dividend rate for the Fund during the current fiscal period were as follows:

	Virginia Premium Income (NPV)
Average liquidation value of VRDP Shares outstanding	$ 128,000,000
Annualized dividend rate	0.14%

For financial reporting purposes, the liquidation value of VRDP Shares is a liability and is recognized as "Variable Rate Demand Preferred ("VRDP") Shares, at liquidation value" on the Statement of Assets and Liabilities. Unpaid dividends on VRDP Shares are recognized as a component of "Interest payable" on the Statement of Assets and Liabilities, when applicable. Dividends accrued on VRDP Shares are recognized as a component of "Interest expense and amortization of offering costs" on the Statement of Operations. Costs incurred by the Fund in connection with its offerings of VRDP Shares were recorded as a deferred charge, which are amortized over the life of the shares and are recognized as a component of "Deferred offering costs" on the Statement of Assets and Liabilities and "Interest expense and amortization of offering costs" on the Statement of Operations. In addition to interest expense, the Fund also pays a per annum liquidity fee to the liquidity provider, as well as a remarketing fee, which are recognized as "Liquidity fees" and "Remarketing fees," respectively, on the Statement of Operations.

Preferred Share Transactions

Transactions in preferred shares for the Funds during the Funds' current and prior fiscal periods, where applicable, are noted in the following tables.

Transactions in MTP Shares for the Funds, where applicable, were as follows:

	Year Ended May 31, 2015		
Series	NYSE MKT Ticker	Shares	Amount

Missouri Premium Income (NOM)					
MTP Shares redeemed	2015	NOM PRC	(1,788,000)	$	(17,880,000)

	Series	NYSE/NYSE MKT Ticker	Year Ended May 31, 2014 Shares		Amount
Georgia Dividend Advantage 2 (NKG)					
MTP Shares redeemed:					
	2015	NKG PRC	(3,226,500)	$	(32,265,000)
	2015-1	NKG PRD	(2,834,000)		(28,340,000)
	2015-2	NKG PRE	(1,434,000)		(14,340,000)
Total			(7,494,500)	$	(74,945,000)

Notes to Financial Statements (continued)

		Year Ended May 31, 2014			
	Series	NYSE/NYSE MKT Ticker	Shares		Amount
Maryland Premium Income (NMY)					
MTP Shares redeemed:					
	2015	NMY PRC	(3,877,500)	$	(38,775,000)
	2016	NMY PRD	(3,581,800)		(35,818,000)
	2015	NMY PRE	(2,648,500)		(26,485,000)
	2015-1	NMY PRF	(2,730,000)		(27,300,000)
	2015-1	NMY PRG	(2,070,000)		(20,700,000)
	2016	NMY PRH	(1,706,600)		(17,066,000)
Total			(16,614,400)	$	(166,144,000)
North Carolina Premium Income (NNC)					
MTP Shares redeemed:					
	2015	NNC PRC	(2,430,000)	$	(24,300,000)
	2016	NNC PRD	(2,553,500)		(25,535,000)
	2015	NNC PRE	(1,660,000)		(16,600,000)
	2015-1	NNC PRF	(2,970,000)		(29,700,000)
	2015-1	NNC PRG	(2,872,500)		(28,725,000)
Total			(12,486,000)	$	(124,860,000)
Virginia Premium Income (NPV)					
MTP Shares redeemed:					
	2014	NVP PRA	(2,920,300)	$	(29,203,000)
	2015	NVP PRC	(3,220,500)		(32,205,000)
	2014	NPV PRD	(2,280,000)		(22,800,000)
	2014-1	NVP PRE	(4,320,000)		(43,200,000)
Total			(12,740,800)	$	(127,408,000)

Transactions in Remarketed Preferred Shares for the Funds, where applicable, were as follows:

Ten Months Ended
June 30, 2014

	Shares		Amount
Minnesota Municipal Income (NMS)			
Remarketed Preferred shares redeemed:			
Series M	(622)	$	(15,550,000)
Series W	(622)		(15,550,000)
Total	(1,244)	$	(31,100,000)

Transactions in VMTP Shares for the Funds, where applicable, were as follows:

		Year Ended May 31, 2015		
	Series	Shares		Amount
Missouri Premium Income (NOM)				
VMTP Shares issued	2018	180	$	18,000,000

		Eleven Months Ended May 31, 2015		
	Series	Shares		Amount
Minnesota Municipal Income (NMS)				
VMTP Shares resulting from the Mergers	2017	130	$	13,000,000

	Ten Months Ended June 30, 2014		
	Series	Shares	Amount
Minnesota Municipal Income (NMS)			
VMTP Shares issued	2017	311	$ 31,100,000

	Year Ended May 31, 2014		
	Series	Shares	Amount
Georgia Dividend Advantage 2 (NKG)			
VMTP Shares issued	2017	750	$ 75,000,000
Maryland Premium Income (NMY)			
VMTP Shares issued	2017	1,670	$ 167,000,000
North Carolina Premium Income (NNC)			
VMTP Shares issued	2017	1,250	$ 125,000,000

Transactions in VRDP Shares for the Funds, where applicable, were as follows:

	Year Ended May 31, 2014		
	Series	Shares	Amount
Virginia Premium Income (NPV)			
VRDP Shares issued	1	1,280	$ 128,000,000

5. Investment Transactions
Long-term purchases and sales (including maturities but excluding derivative transactions, where applicable) during the current fiscal period, were as follows:

	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Purchases	$ 17,866,589	$ 122,640,984	$ 17,638,539	$ 4,173,458	$ 43,580,081	$ 66,186,184
Sales and maturities	16,089,514	135,112,851	16,218,153	4,783,985	43,802,990	71,621,219

6. Income Tax Information
Each Fund is a separate taxpayer for federal income tax purposes. Each Fund intends to distribute substantially all of its net investment income and net capital gains to shareholders and to otherwise comply with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies. Therefore, no federal income tax provision is required. Furthermore, each Fund intends to satisfy conditions that will enable interest from municipal securities, which is exempt from regular federal and designated state income taxes, to retain such tax-exempt status when distributed to shareholders of the Funds. Net realized capital gains and ordinary income distributions paid by the Funds are subject to federal taxation.

For all open tax years and all major taxing jurisdictions, management of the Funds has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements. Open tax years are those that are open for examination by taxing authorities (i.e., generally the last four tax year ends and the interim tax period since then). Furthermore, management of the Funds is also not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change in the next twelve months.

The following information is presented on an income tax basis. Differences between amounts for financial statement and federal income tax purposes are primarily due to timing differences in recognizing taxable market discount, timing differences in recognizing certain gains and losses on investment transactions and the treatment of investments in inverse floating rate securities reflected as financing transactions, if any. To the extent that differences arise that are permanent in nature, such amounts are reclassified within the capital accounts as detailed below. Temporary differences do not require reclassification. Temporary and permanent differences do not impact the NAVs of the Funds.

During the year Nuveen Minnesota Municipal Income Fund (NMS) was involved in a tax-free reorganization in which Minnesota Municipal Income Portfolio, Inc. (MXA) and Minnesota Municipal Income Fund II, Inc. (MXN) merged their assets into Nuveen Minnesota Municipal Income Fund (NMS). Nuveen Minnesota Municipal Income Fund (NMS) is a new fund for tax purposes with no tax reporting survivor; however, Minnesota Municipal Income

Notes to Financial Statements (continued)

Portfolio, Inc. (MXA) is the accounting survivor for financial reporting purposes. Therefore, the income tax information provided below includes the eleven month activity from July 1, 1014 to May 31, 2015 of both Nuveen Minnesota Municipal Income Fund (NMS) and Minnesota Municipal Income Portfolio, Inc. (MXA).

As of May 31, 2015, the cost and unrealized appreciation (depreciation) of investments (excluding investments in derivatives, where applicable), as determined on a federal income tax basis, were as follows:

	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Cost of investments	$ 208,803,806	$ 480,049,892	$ 122,876,862	$ 45,377,375	$ 342,818,587	$ 355,744,012
Gross unrealized:						
Appreciation	$ 12,430,188	$ 24,375,861	$ 8,877,492	$ 3,323,792	$ 23,031,597	$ 26,896,215
Depreciation	(1,932,307)	(5,483,322)	(204,527)	(272,166)	(541,090)	(5,632,274)
Net unrealized appreciation (depreciation) of investments	$ 10,497,881	$ 18,892,539	$ 8,672,965	$ 3,051,626	$ 22,490,507	$ 21,263,941

Permanent differences, primarily due to federal taxes paid, nondeductible offering costs, reorganization adjustments, paydowns, treatment of notional principal contracts, and nondeductible reorganization expenses resulted in reclassifications among the Funds' components of common share net assets as of the periods indicated below, as follows:

Year ended May 31, 2015	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Paid-in-surplus	$ (52,657)	$ (58,711)	$ 462,593	$ (153,236)	$ 30,311	$ (64,217)
Undistributed (Over-distribution of) net investment income	(43,337)	(493,293)	72,980	153,235	(110,196)	24,317
Accumulated net realized gain (loss)	95,994	552,004	(535,573)	1	79,885	39,900

Ten Months ended June 30, 2014	Minnesota Municipal Income (NMS)
Paid-in-surplus	$ —
Undistributed (Over-distribution of) net investment income	—

Accumulated net realized gain (loss)	—

The tax components of undistributed net tax-exempt income, net ordinary income and net long-term capital gains as of the periods indicated below, were as follows:

Year ended May 31, 2015	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Undistributed net tax-exempt income1	$ 439,396	$ 2,093,232	$ 633,333	$ 214,786	$ 389,376	$ 1,442,203
Undistributed net ordinary income2	26,676	48,150	—	—	109,712	25,260
Undistributed net long-term capital gains	—	—	50,567	—	28,374	—

Ten Months ended June 30, 2014	Minnesota Municipal Income (NMS)
Undistributed net tax-exempt income	$ 458,133
Undistributed net ordinary income2	3,029
Undistributed net long-term capital gains	—

1 Undistributed net tax-exempt income (on a tax basis) has not been reduced for the dividend declared on May 1, 2015, paid on June 2, 2015.
2 Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

The tax character of distributions paid during the periods indicated below, was designated for purposes of the dividends paid deduction as follows:

Year ended May 31, 2015	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Distributions from net tax-exempt income3	$ 7,462,118	$ 17,450,455	$ 3,963,984	$ 2,038,437	$ 11,317,326	$ 13,595,233
Distributions from net ordinary income2	6,329	59,243	9,225	77	—	3,587
Distributions from net long-term capital gains4	—	—	—	—	466,996	—

Year ended May 31, 2014	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)	Missouri Premium Income (NOM)	North Carolina Premium Income (NNC)	Virginia Premium Income (NPV)
Distributions from net tax-exempt income	$ 8,917,503	$ 21,036,311	$ 2,080,261	$ 13,080,537	$ 14,297,444
Distributions from net ordinary income2	819	55,441	—	3,040	9,687
Distributions from net long-term capital gains	—	—	—	—	139,974

Ten Months ended June 30, 2014	Minnesota Municipal Income (NMS)
Distributions from net tax-exempt income	$ 3,146,563
Distributions from net ordinary income2	24,601
Distributions from net long-term capital gains	—

Year ended August 31, 2013	Minnesota Municipal Income (NMS)
Distributions from net tax-exempt income	$ 3,747,267
Distributions from net ordinary income2	—
Distributions from net long-term capital gains	—

2 Net ordinary income consists of taxable market discount income and net short-term capital gains, if any.

3

The Funds hereby designate these amounts paid during the fiscal year ended May 31, 2015, as Exempt Interest Dividends.

4 The Funds designate as long-term capital gain dividend, pursuant to the Internal Revenue Code Section 852(b)(3), the amount necessary to reduce earnings and profits of the Funds related to net capital gain to zero for the tax year ended May 31, 2015.

As of the periods indicated below, the following Funds had unused capital loss carryforwards available for federal income tax purposes to be applied against future capital gains, if any. If not applied, the carryforwards will expire as shown in the following table. The losses not subject to expiration will be utilized first by a Fund.

May 31, 2015	Georgia Dividend Advantage 2 (NKG)	Maryland Premium Income (NMY)5	Minnesota Municipal Income (NMS)5	Missouri Premium Income (NOM)	Virginia Premium Income (NPV)
Expiration:					
May 31, 2016	$ 462,549	$ 851,610	$ —	$ —	$ —
May 31, 2017	1,635,823	172,377	452,405	77,824	—
May 31, 2018	1,329,548	—	—	91,539	—
May 31, 2019	48,370	—	—	—	—
Not subject to expiration	1,958,045	6,731,052	744,636	1,265,377	12,792,560
Total	$ 5,434,335	$ 7,755,039	$ 1,197,041	$ 1,434,740	$ 12,792,560

5 A portion of Maryland Premium Income's (NMY) and Minnesota Municipal Income's (NMS) capital loss carryforward is subject to limitation under the Internal Revenue Code and related regulations.

Notes to Financial Statements (continued)

June 30, 2014	Minnesota Municipal Income (NMS)
Expiration:	
June 30, 2018	$ 452,405
Not subject to expiration	516,691
Total	$ 969,096

During the Funds' tax year ended May 31, 2015, the following Funds utilized capital loss carryforwards as follows:

	Maryland Premium Income (NMY)	Minnesota Municipal Income (NMS)
Utilized capital loss carryforwards	$ 59,797	$ 404,539

The Funds have elected to defer late-year losses in accordance with federal income tax rules. These losses are treated as having arisen on the first day of the current fiscal year. The following Fund has elected to defer losses as follows:

	North Carolina Premium Income (NNC)
Post-October capital losses6	$ 339,518
Late-year ordinary losses7	—

6 Capital losses incurred from November 1, 2014 through May 31, 2015, the Funds' tax year end.
7 Ordinary losses incurred from January 1, 2015 through May 31, 2015 and specified losses incurred from November 1, 2014 through May 31, 2015.

7. Management Fees and Other Transactions with Affiliates
Each Fund's management fee compensates the Adviser for overall investment advisory and administrative services and general office facilities. The Sub-Adviser is compensated for its services to the Funds from the management fees paid to the Adviser.

Each Fund's management fee consists of two components – a fund-level fee, based only on the amount of assets within the Fund, and a complex-level fee, based on the aggregate amount of all eligible fund assets managed by the Adviser. This pricing structure enables Fund shareholders to benefit from growth in the assets within their respective Fund as well as from growth in the amount of complex-wide assets managed by the Adviser.

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

Average Daily Managed Assets*	Georgia Dividend Advantage 2 (NKG) Fund-Level Fee
For the first $125 million	0.4500%

For the next $125 million	0.4375
For the next $250 million	0.4250
For the next $500 million	0.4125
For the next $1 billion	0.4000
For managed assets over $2 billion	0.3750

Average Daily Managed Assets*	Minnesota Municipal Income (NMS) Fund-Level Fee
For the first $125 million	0.4500%
For the next $125 million	0.4375
For the next $250 million	0.4250
For the next $500 million	0.4125
For managed assets over $1 billion	0.4000

Average Daily Managed Assets*	Maryland Premium Income (NMY) Missouri Premium Income (NOM) North Carolina Premium Income (NNC) Virginia Premium Income (NPV) Fund-Level Fee
For the first $125 million	0.4500%
For the next $125 million	0.4375
For the next $250 million	0.4250
For the next $500 million	0.4125
For the next $1 billion	0.4000
For the next $3 billion	0.3875
For managed assets over $5 billion	0.3750

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

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

* For the fund-level and complex-level fees, managed assets include closed-end fund assets managed by the Adviser that are attributable to certain types of leverage. For these purposes, leverage includes the funds' use of preferred stock and borrowings and certain investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities, subject to an agreement by the Adviser as to certain funds to limit the amount of such assets for determining managed assets in certain circumstances. The complex-level fee is calculated based upon the aggregate daily managed assets of all Nuveen Funds that constitute "eligible assets." Eligible assets do not include assets attributable to investments in other Nuveen Funds or assets in excess of $2 billion added to the Nuveen fund complex in connection with the Adviser's assumption of the management of the former First American Funds effective January 1, 2011. As of May 31, 2015, the complex-level fee rate for each Fund was 0.1635%.

The Funds pay no compensation directly to those of its trustees who are affiliated with the Adviser or to its officers, all of whom receive remuneration for their services to the Funds from the Adviser or its affiliates. The Board has adopted a deferred compensation plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from certain Nuveen-advised funds. Under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of select Nuveen-advised funds.

8. Fund Mergers

The Mergers were structured to qualify as tax-free mergers under the Internal Revenue Code for federal income tax purposes, and the Target Funds' shareholders recognized no gain or loss for federal income tax purposes as a result. Prior to the closing of the Mergers, the Target Funds distributed all of their net investment income and capital gains, if any. Such a distribution may be taxable to the Target Funds' shareholders for federal income tax purposes.

Investments

The cost, fair value and net unrealized appreciation (depreciation) of the investments of the Target Funds as of the date of the Mergers, were as follows:

	Minnesota Municipal Income Portfolio (MXA)	Minnesota Municipal Income Fund II (MXN)
Cost of investments	$ 86,735,071	$ 32,798,297
Fair value of investments	94,862,790	34,794,031
Net unrealized appreciation (depreciation) of investments	8,127,719	1,995,734

Notes to Financial Statements (continued)

For financial reporting purposes, assets received and shares issued by Minnesota Municipal Income (NMS) were recorded at fair value; however, the cost basis of the investments received from the Target Funds were carried forward to align ongoing reporting of Minnesota Municipal Income's (NMS) realized and unrealized gains and losses with amounts distributable to shareholders for tax purposes.

Common Shares

The common shares outstanding, net assets applicable to common shares and NAV per common share outstanding immediately prior to and after the Mergers are as follows:

Target Funds – Prior to the Mergers	Minnesota Municipal Income Portfolio (MXA)	Minnesota Municipal Income Fund II (MXN)
Common shares outstanding	4,146,743	1,472,506
Net assets applicable to common shares	$ 64,760,137	$ 22,239,676
NAV per share outstanding	$ 15.62	$ 15.10
Minnesota Municipal Income (NMS) – Prior to the Mergers		
Common shares outstanding		2
Net assets applicable to common shares		$ 31
NAV per share outstanding		$ 15.62
Minnesota Municipal Income (NMS) – After the Mergers		
Common shares outstanding		5,570,806
Net assets applicable to common shares		$ 86,999,844
NAV per share outstanding		$ 15.62

Preferred Shares

In connection with the Mergers, holders of the VMTP Shares of the Target Funds received on a one-for-one basis newly issued VMTP Shares of Minnesota Municipal Income (NMS), in exchange for VMTP Shares of the Target Funds held immediately prior to the Mergers.

Prior to the closing of the Mergers, details of the Target Funds' outstanding VMTP Shares were as follows:

Target Funds	Series	Shares Outstanding	Shares Outstanding at $100,000 Per Share Liquidation Value	Maturity
Minnesota Municipal Income Portfolio (MXA)	2017	311	$ 31,100,000	May 1, 2017
Minnesota Municipal Income Fund II (MXN)	2017	130	13,000,000	May 1, 2017

Details of Minnesota Municipal Income's (NMS) VMTP Shares issued in connection with the Mergers were as follows:

Fund	Series	Shares Outstanding	Shares Outstanding at $100,000 Per Share Liquidation Value	Maturity
Minnesota Municipal Income (NMS)	2017	441	$ 44,100,000	May 1, 2017

Pro Forma Results of Operations (Unaudited)
Assuming the Mergers had been completed on July 1, 2014, the beginning of Minnesota Municipal Income's (NMS) current fiscal period, the pro forma results of operations for the period ended May 31, 2015, are as follows:

Pro Forma results of Operations	Minnesota Municipal Income (NMS)
Net investment income	$ 4,072,377
Net realized and unrealized gains (losses)	320,991
Change in net assets resulting from operations	4,393,368

Because the combined investment portfolios for the Mergers have been managed as a single integrated portfolio since the Mergers were completed, it is not practicable to separate the amounts of revenue and earnings of the Target Funds that have been included in the Statement of Operations for Minnesota Municipal Income (NMS) since the Mergers were consummated.

Costs and Expenses

In connection with the Mergers, the Fund assumed certain associated costs and expenses. Such amounts are recognized as a component of "Accrued other expenses" on the Statement of Assets and Liabilities.

Additional Fund Information (Unaudited)

Fund Manager	Custodian	Legal Counsel	Independent Registered	Transfer Agent and
Nuveen Fund Advisors, LLC	State Street Bank	Chapman and Cutler LLP	Public Accounting Firm	Shareholder Services
333 West Wacker Drive	& Trust Company	Chicago, IL 60603	KPMG LLP	State Street Bank
Chicago, IL 60606	Boston, MA 02111		Chicago, IL 60601	& Trust Company
				Nuveen Funds P.O. Box 43071 Providence, RI 02940-3071 (800) 257-8787

Quarterly Form N-Q Portfolio of Investments Information
Each Fund is required to file its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. You may obtain this information directly from the SEC. Visit the SEC on-line at http://www.sec.gov or in person at the SEC's Public Reference Room in Washington, D.C. Call the SEC toll-free at (800) SEC-0330 for room hours and operation.

Nuveen Funds' Proxy Voting Information
You may obtain (i) information regarding how each fund voted proxies relating to portfolio securities held during the most recent twelve-month period ended June 30, without charge, upon request, by calling Nuveen Investments toll-free at (800) 257-8787 or on Nuveen's website at www.nuveen.com and (ii) a description of the policies and procedures that each fund used to determine how to vote proxies relating to portfolio securities without charge, upon request, by calling Nuveen Investments toll free at (800) 257-8787. You may also obtain this information directly from the SEC. Visit the SEC on-line at http://www.sec.gov.

CEO Certification Disclosure
Each Fund's Chief Executive Officer (CEO) has submitted to the New York Stock Exchange (NYSE) the annual CEO certification as required by Section 303A.12(a) of the NYSE Listed Company Manual. Each Fund has filed with the SEC the certification of its CEO and Chief Financial Officer required by Section 302 of the Sarbanes-Oxley Act.

Common Share Repurchases

Each Fund intends to repurchase, through its open-market share repurchase program, shares of its own common stock at such times and in such amounts as is deemed advisable. During the period covered by this report, each Fund repurchased shares of its common stock, as shown in the accompanying table. Any future repurchases will be reported to shareholders in the next annual or semi-annual report.

	NKG	NMY	NMS	NOM	NNC	NPV
Common shares repurchased	—	504,100	—	—	107,500	—

FINRA BrokerCheck

The Financial Industry Regulatory Authority (FINRA) provides information regarding the disciplinary history of FINRA member firms and associated investment professionals. This information as well as an investor brochure describing FINRA BrokerCheck is available to the public by calling the FINRA BrokerCheck Hotline number at (800) 289-9999 or by visiting www.FINRA.org.

Glossary of Terms Used in this Report (Unaudited)

Auction Rate Bond: An auction rate bond is a security whose interest payments are adjusted periodically through an auction process, which process typically also serves as a means for buying and selling the bond. Auctions that fail to attract enough buyers for all the shares offered for sale are deemed to have "failed," with current holders receiving a formula-based interest rate until the next scheduled auction.

Average Annual Total Return: This is a commonly used method to express an investment's performance over a particular, usually multi-year time period. It expresses the return that would have been necessary each year to equal the investment's actual cumulative performance (including change in NAV or market price and reinvested dividends and capital gains distributions, if any) over the time period being considered.

Duration: Duration is a measure of the expected period over which a bond's principal and interest will be paid, and consequently is a measure of the sensitivity of a bond's or bond fund's value to changes when market interest rates change. Generally, the longer a bond's or fund's duration, the more the price of the bond or fund will change as interest rates change.

Effective Leverage: Effective leverage is a fund's effective economic leverage, and includes both regulatory leverage (see leverage) and the leverage effects of certain derivative investments in the fund's portfolio. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values, in addition to any regulatory leverage.

Gross Domestic Product (GDP): The total market value of all final goods and services produced in a country/region in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports.

Inverse Floating Rate Securities: Inverse floating rate securities, also known as inverse floaters or tender option bonds (TOBs), are created by depositing a municipal bond, typically with a fixed interest rate, into a special purpose trust. This trust, in turn, (a) issues floating rate certificates typically paying short-term tax-exempt interest rates to third parties in amounts equal to some fraction of the deposited bond's par amount or market value, and (b) issues an inverse floating rate certificate (sometimes referred to as an "inverse floater") to an investor (such as a Fund) interested in gaining investment exposure to a long-term municipal bond. The income received by the holder of the inverse floater varies inversely with the short term rate paid to the floating rate certificates' holders, and in most circumstances the holder of the inverse floater bears substantially all of the underlying bond's downside investment risk. The holder of the inverse floater typically also benefits disproportionately from any potential appreciation of the underlying bond's value. Hence, an inverse floater essentially represents an investment in the underlying bond on a leveraged basis.

Leverage: Leverage is created whenever a fund has investment exposure (both reward and/or risk) equivalent to more than 100% of the investment capital.

Lipper Other States Municipal Debt Funds Classification Average: Calculated using the returns of all closed-end funds in this category. Lipper returns account for the effects of management fees and assume reinvestment of distributions, but do not reflect any applicable sales charges.

Net Asset Value (NAV) Per Share: A fund's Net Assets is equal to its total assets (securities, cash, accrued earnings and receivables) less its total liabilities. NAV per share is equal to the fund's Net Assets divided by its number of shares outstanding.

Pre-Refunding: Pre-Refunding, also known as advanced refundings or refinancings, is a procedure used by state and local governments to refinance municipal bonds to lower interest expenses. The issuer sells new bonds with a lower yield and uses the proceeds to buy U.S. Treasury securities, the interest from which is used to make payments on the higher-yielding bonds. Because of this collateral, pre-refunding generally raises a bond's credit rating and thus its value.

Glossary of Terms Used in this Report (Unaudited) (continued)

Regulatory Leverage: Regulatory Leverage consists of preferred shares issued by or borrowings of a fund. Both of these are part of a fund's capital structure. Regulatory leverage is subject to asset coverage limits set in the Investment Company Act of 1940.

S&P Municipal Bond Georgia Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Georgia municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade U.S. municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond Maryland Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Maryland municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond Minnesota Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Minnesota municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond Missouri Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Missouri municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond North Carolina Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade North Carolina municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

S&P Municipal Bond Virginia Index: An unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade Virginia municipal bond market. Index returns assume reinvestment of distributions, but do not reflect any applicable sales charges or management fees.

Total Investment Exposure: Total investment exposure is a fund's assets managed by the Adviser that are attributable to financial leverage. For these purposes, financial leverage includes a fund's use of preferred stock and borrowings and investments in the residual interest certificates (also called inverse floating rate securities) in tender option bond (TOB) trusts, including the portion of assets held by a TOB trust that has been effectively financed by the trust's issuance of floating rate securities.

Zero Coupon Bond: A zero coupon bond does not pay a regular interest coupon to its holders during the life of the bond. Income to the holder of the bond comes from accretion of the difference between the original purchase price of the bond at issuance and the par value of the bond at maturity and is effectively paid at maturity. The market prices of zero coupon bonds generally are more volatile than the market prices of bonds that pay interest periodically.

Reinvest Automatically, Easily and Conveniently

Nuveen makes reinvesting easy. A phone call is all it takes to set up your reinvestment account.

Nuveen Closed-End Funds Automatic Reinvestment Plan

Nuveen Closed-End Fund allows you to conveniently reinvest distributions in additional Fund shares. By choosing to reinvest, you'll be able to invest money regularly and automatically, and watch your investment grow through the power of compounding. Just like distributions in cash, there may be times when income or capital gains taxes may be payable on distributions that are reinvested. It is important to note that an automatic reinvestment plan does not ensure a profit, nor does it protect you against loss in a declining market.

Easy and convenient

To make recordkeeping easy and convenient, each month you'll receive a statement showing your total distributions, the date of investment, the shares acquired and the price per share, and the total number of shares you own.

How shares are purchased

The shares you acquire by reinvesting will either be purchased on the open market or newly issued by the Fund. If the shares are trading at or above net asset value at the time of valuation, the Fund will issue new shares at the greater of the net asset value or 95% of the then-current market price. If the shares are trading at less than net as -set value, shares for your account will be purchased on the open market. If the Plan Agent begins purchasing Fund shares on the open market while shares are trading below net asset value, but the Fund's shares subsequently trade at or above their net asset value before the Plan Agent is able to complete its purchases, the Plan Agent may cease open-market purchases and may invest the uninvested portion of the distribution in newly-issued Fund shares at a price equal to the greater of the shares' net asset value or 95% of the shares' market value on the last business day imme -diately prior to the purchase date. Distributions received to purchase shares in the open market will normally be invested shortly after the distribution payment date. No interest will be paid on distributions awaiting reinvestment. Because the market price of the shares may increase before purchases are completed, the average purchase price per share may exceed the market price at the time of valuation, resulting in the acquisition of fewer shares than if the distribution had been paid in shares issued by the Fund. A pro rata portion of any applicable brokerage commissions on open market purchases will be paid by Plan participants. These commissions usually will be lower than those charged on individual transactions.

Flexible

You may change your distribution option or withdraw from the Plan at any time, should your needs or situation change. You can reinvest whether your shares are registered in your name, or in the name of a brokerage firm, bank, or other nominee. Ask your investment advisor if his or her firm will participate on your behalf. Participants whose shares are registered in the name of one firm may not be able to transfer the shares to another firm and continue to participate in the Plan. The Fund reserves the right to amend or terminate the Plan at any time. Although the Fund reserves the right to amend the Plan to include a service charge payable by the participants, there is no direct service charge to participants in the Plan at this time.

Call today to start reinvesting distributions

For more information on the Nuveen Automatic Reinvestment Plan or to enroll in or withdraw from the Plan, speak with your financial advisor or call us at (800) 257-8787.

Board Members & Officers

The management of the Funds, including general supervision of the duties performed for the Funds by the Adviser, is the responsibility of the Board of Trustees of the Funds. The number of trustees of the Funds is currently set at eleven. None of the trustees who are not "interested" persons of the Funds (referred to herein as "independent trustees") has ever been a director or employee of, or consultant to, Nuveen or its affiliates. The names and business addresses of the trustees and officers of the Funds, their principal occupations and other affiliations during the past five years, the number of portfolios each oversees and other directorships they hold are set forth below.

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed and Term(1)	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen Board Member
Independent Board Members:				
WILLIAM J. SCHNEIDER 1944 333 W. Wacker Drive Chicago, IL 60606	Chairman and Board Member	1996 Class III	Chairman of Miller-Valentine Partners, a real estate investment company; formerly, Senior Partner and Chief Operating Officer (retired (2004) of Miller-Valentine Group; an owner in several other Miller Valentine entities; Board Member of Med-America Health System, and WDPR Public Radio station; formerly, member, Business Advisory Council, Cleveland Federal Reserve Bank and University of Dayton Business School Advisory Council.	194
JACK B. EVANS 1948 333 W. Wacker Drive Chicago, IL 60606	Board Member	1999 Class III	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Chairman, United Fire Group, a publicly held company; formerly, President Pro-Tem of the Board of Regents for the State of Iowa University System; Director, Source Media Group; Life Trustee of Coe College; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve Bank of Chicago; formerly, President and Chief Operating	194

			Officer, SCI Financial Group, Inc., a regional financial services firm.	
WILLIAM C. HUNTER 1948 333 W. Wacker Drive Chicago, IL 60606	Board Member	2004 Class I	Dean Emeritus, formerly, Dean, Tippie College of Business, University of Iowa (2006-2012); Director (since 2004) of Xerox Corporation; Director (since 2005), and President (since July 2012) Beta Gamma Sigma, Inc., The International Business Honor Society; Director of Wellmark, Inc. (since 2009); formerly, Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); previously, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director (1997-2007), Credit Research Center at Georgetown University.	194
DAVID J. KUNDERT 1942 333 W. Wacker Drive Chicago, IL 60606	Board Member	2005 Class II	Formerly, Director, Northwestern Mutual Wealth Management Company (2006-2013), retired (since 2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Banc One Corporation and Chairman and CEO, Banc One Investment Management Group; Regent Emeritus, Member of Investment Committee, Luther College; member of the Wisconsin Bar Association; member of Board of Directors and Chair of Investment Committee, Greater Milwaukee Foundation; member of the Board of Directors (Milwaukee), College Possible.	194

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(1)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Independent Board Members (continued):				
JOHN K. NELSON 1962 333 W. Wacker Drive Chicago, IL 60606	Board Member	2013 Class II	Member of Board of Directors of Core12 LLC (since 2008), a private firm which develops branding, marketing and communications strategies for clients; Director of The Curran Center for Catholic American Studies (since 2009) and The President's Council, Fordham University (since 2010); formerly, senior external advisor to the financial services practice of Deloitte Consulting LLP (2012-2014); formerly, Chairman of the Board of Trustees of Marian University (2010 as trustee, 2011-2014 as Chairman); formerly, Chief Executive Officer of ABN AMRO N.V. North America, and Global Head of its Financial Markets Division (2007-2008); prior senior positions held at ABN AMRO include Corporate Executive Vice President and Head of Global Markets-the Americas (2006-2007), CEO of Wholesale Banking North America and Global Head of Foreign Exchange and Futures Markets (2001-2006), and Regional Commercial Treasurer and Senior Vice President Trading-North America (1996-2001); formerly, Trustee at St. Edmund Preparatory School in New York City.	194

JUDITH M. STOCKDALE 1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	1997 Class I	Board Member, Land Trust Alliance (since 2013) and U.S. Endowment for Forestry and Communities (since 2013); formerly, Executive Director (1994-2012), Gaylord and Dorothy Donnelley Foundation; prior thereto, Executive Director, Great Lakes Protection Fund (1990-1994).	194
CAROLE E. STONE 1947 333 W. Wacker Drive Chicago, IL 60606	Board Member	2007 Class I	Director, Chicago Board Options Exchange, Inc. (since 2006); Director, C2 Options Exchange, Incorporated (since 2009); Director, CBOE Holdings, Inc. (since 2010); formerly, Commissioner, New York State Commission on Public Authority Reform (2005-2010).	194
VIRGINIA L. STRINGER 1944 333 W. Wacker Drive Chicago, IL 60606	Board Member	2011 Class I	Board Member, Mutual Fund Directors Forum; non-profit board member; former governance consultant; former owner, and President Strategic Management Resources, Inc., a management consulting firm; former Member, Governing Board, Investment Company Institute's Independent Directors Council; previously, held several executive positions in general management, marketing and human resources at IBM and The Pillsbury Company; Independent Director, First American Fund Complex (1987-2010) and Chair (1997-2010).	194
TERENCE J. TOTH 1959 333 W. Wacker Drive Chicago, IL 60606	Board Member	2008 Class II	Managing Partner, Promus Capital (since 2008); Director, Fulcrum IT Service LLC (since 2010), Quality Control Corporation (since 2012) and LogicMark LLC (since 2012); formerly, Director, Legal & General Investment Management America, Inc. (2008-2013); formerly, CEO and President, Northern Trust Global Investments (2004-2007); Executive Vice President, Quantitative	194

		Management & Securities Lending (2000-2004); prior thereto, various positions with Northern Trust Company (since 1994); member: Chicago Fellowship Board (since 2005), Catalyst Schools of Chicago Board (since 2008) and Mather Foundation Board (since 2012), and a member of its investment committee; formerly, Member, Northern Trust Mutual Funds Board (2005-2007), Northern Trust Global Investments Board (2004-2007), Northern Trust Japan Board (2004-2007), Northern Trust Securities Inc. Board (2003-2007) and Northern Trust Hong Kong Board (1997-2004).

Board Members & Officers (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(1)	Principal Occupation(s) Including other Directorships During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member
Interested Board Members:				
WILLIAM ADAMS IV(2) 1955 333 W. Wacker Drive Chicago, IL 60606	Board Member	2013 Class II	Senior Executive Vice President, Global Structured Products (since 2010); formerly, Executive Vice President, U.S. Structured Products, of Nuveen Investments, Inc. (1999-2010); Co-President of Nuveen Fund Advisors, LLC (since 2011); Executive Vice President of Nuveen Securities, LLC; President (since 2011), formerly, Managing Director (2010-2011) of Nuveen Commodities Asset Management, LLC; Board Member of the Chicago Symphony Orchestra and of Gilda's Club Chicago.	194
THOMAS S. SCHREIER, JR.(2) 1962 333 W. Wacker Drive Chicago, IL 60606	Board Member	2013 Class III	Vice Chairman, Wealth Management of Nuveen Investments, Inc. (since 2011); Co-President of Nuveen Fund Advisors, LLC; Chairman of Nuveen Asset Management, LLC (since 2011); Co-Chief Executive Officer of Nuveen Securities, LLC (since 2011); Member of Board of Governors and Chairman's Council of the Investment Company Institute; Director of Allina Health and a member of its Finance, Audit and Investment Committees: formerly, Chief Executive Officer (2000-2010) and Chief Investment Officer (2007-2010) of FAF Advisors, Inc.; formerly, President of First American Funds (2001-2010).	194

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds:				
GIFFORD R. ZIMMERMAN 1956 333 W. Wacker Drive Chicago, IL 60606	Chief Administrative Officer	1988	Managing Director (since 2002), and Assistant Secretary of Nuveen Securities, LLC; Managing Director (since 2004) and Assistant Secretary (since 1994) of Nuveen Investments, Inc.; Managing Director (since 2002), Assistant Secretary (since 1997) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel of Nuveen Asset Management, LLC (since 2011); Managing Director and Assistant Secretary of Symphony Asset Management LLC (since 2003); Vice President and Assistant Secretary of NWQ Investment Management Company, LLC (since 2002), Nuveen Investments Advisers Inc. (since 2002), Santa Barbara Asset Management, LLC (since 2006), and of Winslow Capital Management, LLC, (since 2010); Vice President and Assistant Secretary (since 2013), formerly, Chief Administrative Officer and Chief Compliance Officer (2006-2013) of Nuveen Commodities Asset Management, LLC; Chartered Financial Analyst.	195
CEDRIC H. ANTOSIEWICZ 1962 333 W. Wacker Drive Chicago, IL 60606	Vice President	2007	Managing Director of Nuveen Securities, LLC. (since 2004); Managing Director of Nuveen Fund Advisors, LLC (since 2014).	88
MARGO L. COOK 1964 333 W. Wacker Drive Chicago, IL 60606	Vice President	2009	Executive Vice President (since 2008) of Nuveen Investments, Inc. and of Nuveen Fund Advisors, LLC (since 2011); Managing Director- Investment Services of Nuveen Commodities Asset Management, LLC (since August 2011); Co-Chief Executive Officer (since 2015)	195

of Nuveen Securities, LLC; previously, Head of Institutional Asset Management (2007-2008) of Bear Stearns Asset Management; Chartered Financial Analyst.

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds (continued):				
LORNA C. FERGUSON 1945 333 W. Wacker Drive Chicago, IL 60606	Vice President	1998	Managing Director (since 2004) of Nuveen Investments Holdings, Inc.	195
STEPHEN D. FOY 1954 333 W. Wacker Drive Chicago, IL 60606	Vice President and Controller	1998	Managing Director (since 2014), formerly, Senior Vice President (2013-2014) and Vice President (2005-2013) of Nuveen Fund Advisors, LLC; Chief Financial Officer of Nuveen Commodities Asset Management, LLC (since 2010); Certified Public Accountant.	195
SCOTT S. GRACE 1970 333 W. Wacker Drive Chicago, IL 60606	Vice President and Treasurer	2009	Managing Director, Head of Business Development and Strategy, Global Structured Products Group (since November 2014); Managing Director (since 2009) and, formerly, Treasurer, of Nuveen Investments Advisers Inc., Nuveen Investments, Inc., Nuveen Fund Advisors, LLC, Nuveen Securities, LLC and (since 2011) Nuveen Asset Management LLC; Vice President and, formerly, Treasurer of NWQ Investment Management Company, LLC, Tradewinds Global Investors, LLC, Symphony Asset Management LLC and Winslow Capital Management, LLC.; Vice President of Santa Barbara Asset Management, LLC; Chartered Accountant Designation.	195
WALTER M. KELLY 1970 333 W. Wacker Drive Chicago, IL 60606	Chief Compliance Officer and Vice President	2003	Senior Vice President (since 2008) of Nuveen Investment Holdings, Inc.	195

TINA M. LAZAR 1961 333 W. Wacker Drive Chicago, IL 60606	Vice President	2002	Senior Vice President of Nuveen Investments Holdings, Inc. and Nuveen Securities, LLC.	195
KEVIN J. MCCARTHY 1966 333 W. Wacker Drive Chicago, IL 60606	Vice President and Secretary	2007	Managing Director and Assistant Secretary (since 2008), Nuveen Securities, LLC; Managing Director (since 2008), Assistant Secretary since 2007) and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary, Nuveen Investments, Inc.; Vice President (since 2007) and Assistant Secretary of Nuveen Investments Advisers Inc., NWQ Investment Management Company, LLC, Symphony Asset Management LLC, Santa Barbara Asset Management, LLC, and of Winslow Capital Management, LLC. (since 2010); Vice President and Secretary (since 2010) of Nuveen Commodities Asset Management, LLC.	195
KATHLEEN L. PRUDHOMME 1953 901 Marquette Avenue Minneapolis, MN 55402	Vice President and Assistant Secretary	2011	Managing Director, Assistant Secretary and Co-General Counsel (since 2011) of Nuveen Fund Advisors, LLC; Managing Director, Assistant Secretary and Associate General Counsel (since 2011) of Nuveen Asset Management, LLC; Managing Director and Assistant Secretary (since 2011) of Nuveen Securities, LLC; formerly, Deputy General Counsel, FAF Advisors, Inc. (2004-2010).	195

Board Members & Officers (continued)

Name, Year of Birth & Address	Position(s) Held with the Funds	Year First Elected or Appointed(3)	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Officer
Officers of the Funds (continued):				
JOEL T. SLAGER 1978 333 W. Wacker Drive Chicago, IL 60606	Vice President and Assistant Secretary	2013	Fund Tax Director for Nuveen Funds (since 2013); previously, Vice President of Morgan Stanley Investment Management, Inc., Assistant Treasurer of the Morgan Stanley Funds (from 2010 to 2013).	195

(1) The Board of Trustees is divided into three classes, Class I, Class II, and Class III, with each being elected to serve until the third succeeding annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed, except two board members are elected by the holders of Preferred Shares to serve until the next annual shareholders' meeting subsequent to its election or thereafter in each case when its respective successors are duly elected or appointed. The year first elected or appointed represents the year in which the board member was first elected or appointed to any fund in the Nuveen Complex.

(2) "Interested person" as defined in the 1940 Act, by reason of his position with Nuveen Investments, Inc. and certain of its subsidiaries, which are affiliates of the Nuveen Funds.

(3) Officers serve one year terms through August of each year. The year first elected or appointed represents the year in which the Officer was first elected or appointed to any fund in the Nuveen Complex.

Annual Investment Management Agreement Approval Process (Unaudited)

The Board of Trustees of each Fund (each, a "Board" and each Trustee, a "Board Member"), including the Board Members who are not parties to the Funds' advisory or sub-advisory agreements or "interested persons" of any such parties (the "Independent Board Members"), is responsible for overseeing the performance of the investment adviser and sub-adviser to the respective Fund and determining whether to continue such Fund's advisory agreement (the "Investment Management Agreement") between the Fund and Nuveen Fund Advisors, LLC (the "Adviser") and the sub-advisory agreement (the "Sub-Advisory Agreement" and, together with the Investment Management Agreement, the "Advisory Agreements") between the Adviser and Nuveen Asset Management, LLC (the "Sub-Adviser"). Following an initial term with respect to each Fund upon its commencement of operations, the Board is required to consider the continuation of the Advisory Agreements on an annual basis pursuant to the requirements of the Investment Company Act of 1940, as amended (the "1940 Act"). Accordingly, at an in-person meeting held on May 11-13, 2015 (the "May Meeting"), the Board, including a majority of the Independent Board Members, considered and approved the existing Advisory Agreements for the Funds.

In preparation for its considerations at the May Meeting, the Board received in advance of the meeting extensive materials prepared in connection with the review of the Advisory Agreements. The materials provided a broad range of information regarding the Funds, including, among other things, the nature, extent and quality of services provided by the Adviser and the Sub-Adviser (the Adviser and Sub-Adviser are collectively, the "Fund Advisers" and each, a "Fund Adviser"); Fund performance including performance assessments against peers and the appropriate benchmark(s); fee and expense information of the Funds compared to peers; a description and assessment of shareholder service levels for the Funds; a summary of the performance of certain service providers; a review of product initiatives and shareholder communications; and profitability information of the Fund Advisers as described in further detail below. As part of its annual review, the Board also held a separate meeting on April 14-15, 2015 to review the Funds' investment performance and consider an analysis by the Adviser of the Sub-Adviser which generally evaluated the Sub-Adviser's investment team, investment mandate, organizational structure and history, investment philosophy and process, and the performance of the Funds, and any significant changes to the foregoing. During the review, the Independent Board Members asked questions of and requested additional information from management.

The Board considered that the evaluation process with respect to the Fund Advisers is an ongoing process that encompassed the information and knowledge gained throughout the year. The Board, acting directly or through its committees, met regularly during the course of the year and received information and considered factors at each meeting that would be relevant to its annual consideration of the Advisory Agreements, including information relating to Fund performance; Fund expenses; investment team evaluations; and valuation, compliance, regulatory and risk matters. In addition to regular reports, the Adviser provided special reports to the Board to enhance the Board's understanding on topics that impact some or all of the Nuveen funds and the Adviser (such as presentations on risk and stress testing; the new governance, risk and compliance system; cybersecurity developments; Nuveen fund accounting and reporting matters; regulatory developments impacting the investment company industry and the business plans or other matters impacting the Adviser). The Board also met with key investment personnel managing certain Nuveen fund portfolios during the year.

The Board had created several standing committees including the Open-End Funds Committee and the Closed-End Funds Committee to assist the full Board in monitoring and gaining a deeper insight into the distinctive business practices of closed-end and open-end funds. These Committees met prior to each quarterly Board meeting, and the Adviser provided presentations to these Committees permitting them to delve further into specific matters or initiatives impacting the respective product line.

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

The Board also continued its program of seeking to have the Board Members or a subset thereof visit each sub-adviser to the Nuveen funds at least once over a multiple year rotation, meeting with key investment and business personnel. In this regard, the Independent Board Members made site visits to multiple equity and fixed-income investment teams of the Sub-Adviser in June 2014.

The Board considered the information provided and knowledge gained at these meetings and visits during the year when performing its annual review of the Advisory Agreements. The Independent Board Members also were assisted throughout the process by independent legal counsel. During the course of the year and during their deliberations regarding the review of advisory contracts, the Independent Board Members met with independent legal counsel in executive sessions without management present. The Independent Board Members also received a memorandum from independent legal counsel outlining the legal standards for their consideration of the proposed continuation of the Advisory Agreements. In addition, it is important to recognize that the management arrangements for the Nuveen funds are the result of many years of review and discussion between the Independent Board Members and Fund management and that the Board Members' conclusions may be based, in part, on their consideration of fee arrangements and other factors developed in previous years.

The Board took into account all factors it believed relevant with respect to each Fund, including, among other things: (a) the nature, extent and quality of the services provided by the Fund Advisers; (b) the investment performance of the Funds and Fund Advisers; (c) the advisory fees and costs of the services to be provided to the Funds and the profitability of the Fund Advisers; (d) the extent of any economies of scale; (e) any benefits derived by the Fund Advisers from the relationship with the Funds; and (f) other factors. Each Board Member may have accorded different weight to the various factors in reaching his or her conclusions with respect to the Advisory Agreements applicable to the respective Fund. The Independent Board Members did not identify any single factor as all-important or controlling. The Independent Board Members' considerations were instead based on a comprehensive consideration of all the information presented. The principal factors considered by the Board and its conclusions are described below.

A. Nature, Extent and Quality of Services

In evaluating the renewal of the Advisory Agreements, the Independent Board Members received and considered information regarding the nature, extent and quality of the applicable Fund Adviser's services provided to the respective Fund. The Board reviewed information regarding, among other things, each Fund Adviser's organization and business, the types of services that each Fund Adviser or its affiliates provided to the Funds, the performance record of the Funds (as described in further detail below), and any initiatives that had been undertaken on behalf of the closed-end product line. The Board recognized the high quality of services the Adviser had provided to the Funds over the years and the conscientiousness with which the Adviser provided these services. The Board also considered the improved capital structure of Nuveen Investments, Inc. ("Nuveen") (the parent of the Adviser) following the acquisition of Nuveen by TIAA-CREF in 2014 (the "TIAA-CREF Transaction").

With respect to the services, the Board noted the Funds were registered investment companies that operated in a regulated industry and considered the myriad of investment management, administrative, compliance, oversight and other services the Adviser provided to manage and operate the Funds. Such services included, among other things: (a) product management (such as analyzing ways to better position a Nuveen fund in the marketplace, setting dividends; maintaining relationships to gain access to distribution platforms; and providing shareholder communications); (b) fund administration (such as preparing tax returns and other tax compliance services, preparing regulatory filings and shareholder reports; managing fund budgets and expenses; overseeing a fund's various service providers and supporting and analyzing new and existing funds); (c) Board administration (such as supporting the Board and its committees, in relevant part, by organizing and administering the Board and committee meetings and preparing the necessary reports to assist the Board in its duties); (d) compliance (such as monitoring adherence to a fund's investment policies and procedures and applicable law; reviewing the compliance program periodically and developing new policies or updating existing compliance policies and procedures as considered necessary or appropriate; responding to regulatory requests; and overseeing compliance testing of the funds' sub-advisers); (e) legal support (such as preparing or reviewing fund registration statements, proxy statements and other necessary materials; interpreting regulatory requirements and compliance thereof; and maintaining applicable registrations); and (f) investment services (such as overseeing and reviewing the funds' sub-advisers and their investment teams; analyzing performance of the funds; overseeing investment and risk management; evaluating brokerage transactions and securities lending, overseeing the daily valuation process for portfolio securities and developing and recommending valuation policies and methodologies and changes thereto; reporting to the Board on various matters including performance, risk and valuation; and participating in fund development, leverage management, and the developing or interpreting of investment policies and parameters). With respect to closed-end funds, the Adviser also monitored asset coverage levels on leveraged funds, managed leverage, negotiated the terms of leverage, evaluated alternative forms and types of leverage, promoted an orderly secondary market for common shares and maintained an asset maintenance system for compliance with certain rating agency criteria.

In its review, the Board considered information highlighting the various initiatives that the Adviser had implemented or continued during the last year to enhance its services to the Nuveen funds. The Board recognized that some of these initiatives are a result of a multi-year process. In reviewing the activities of 2014, the Board recognized the Adviser's continued focus on fund rationalization for closed-end funds through mergers, fund closures or repositioning the funds in seeking to enhance shareholder value, reduce costs, improve performance, eliminate fund overlap and better meet shareholder needs. The Board noted the Adviser's investment in additional staffing to strengthen and improve its services to the Nuveen funds, including with respect to risk management and valuation. The Board recognized that expanding the depth and range of its risk oversight activities had been a major priority for the Adviser in recent years, and the Adviser continued to add to the risk management team, develop additional risk management programs and create committees or other teams designated to oversee or evaluate certain risks, such as liquidity risk, enterprise risk, investment risk and cybersecurity risk. The Adviser had also continued to add to the valuation team, launched its centralized securities valuation system which is intended to provide for uniform pricing and reporting across the complex as the system continues to develop, continued to refine its valuation analysis and updated related policies and procedures and evaluated and assessed pricing services. The Board considered the Adviser's ongoing investment in information technology and operations and the various projects of the information technology team to support the continued growth and complexity of the Nuveen funds and increase efficiencies in their operations. The Board also recognized the Adviser's strong commitment to compliance and reviewed information reflecting the compliance group's ongoing activities to enhance its compliance system and refine its compliance procedures as well as the Chief Compliance Officer's report regarding the compliance team, the initiatives the team had undertaken in 2014 and proposed for 2015, the compliance functions and reporting process, the record of compliance with the policies and procedures and its supervision activities of other service providers.

With respect to the closed-end funds, the Board recognized the extensive resources, expertise and efforts required to oversee and manage the various forms of leverage utilized by various funds, including the development of new forms of leverage to achieve cost savings and/or broaden the array of leverage structures available to the closed-end funds, the development of enhanced reports analyzing the impact of leverage on performance, and the development of new forms of tender option bond structures to address new regulatory requirements. The Board also noted the Adviser's continued capital management services conducting share repurchases and/or share issuances throughout the year and monitoring market conditions to capitalize on opportunities for the closed-end funds. The Board further recognized the Adviser's use of data systems to more effectively solicit shareholder participation when seeking shareholder approvals and to monitor flow trends in various closed-end funds. The Board considered Nuveen's continued commitment to supporting the closed-end fund product line by providing an extensive investor relations program that encompassed, among other things, maintaining and enhancing the closed-end fund website; participating in conferences and education seminars; enhancing the ability for investors to access information; preparing educational materials; and implementing campaigns to educate financial advisers and investors on topics related to closed-end funds and their strategies.

As noted, the Adviser also oversees the Sub-Adviser who primarily provides the portfolio advisory services to the Funds. The Board recognized the skill and competency of the Adviser in monitoring and analyzing the performance of the Sub-Adviser and managing the sub-advisory relationship. In considering the Sub-Advisory Agreements and supplementing its prior knowledge, the Board considered a current report provided by the Adviser analyzing, among other things, the Sub-Adviser's investment team and changes thereto, investment approach, organization and history, and assets under management, and the investment performance of each Fund.

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

Based on their review, the Independent Board Members found that, overall, the nature, extent and quality of services provided to the Funds under each respective Advisory Agreement were satisfactory.

B. The Investment Performance of the Funds and Fund Advisers

The Board, including the Independent Board Members, considered the performance history of each Fund over various time periods. The Board reviewed reports, including an analysis of the Funds' performance and the applicable investment team. The Board reviewed, among other things, each Fund's investment performance both on an absolute basis and in comparison to peer funds (the "Performance Peer Group") and to recognized and/or customized benchmarks (i.e., generally benchmarks derived from multiple recognized benchmarks) for the quarter, one-, three- and five-year periods ending December 31, 2014, as well as performance information reflecting the first quarter of 2015. The Independent Board Members also recognized the importance of the secondary market trading levels for the closed-end fund shares and therefore devoted significant time and focus evaluating the premium and discount levels of the closed-end funds at each of the quarterly meetings throughout the year. At these prior meetings as well as the May Meeting, the Board reviewed, among other things, the respective closed-end fund's premium or discount to net asset value as of a specified date and over various periods as well as in comparison to the premium/discount average in its Lipper peer category. At the May Meeting and/or prior meetings, the Board also reviewed information regarding the key economic, market and competitive trends affecting the closed-end fund market and considered any actions periodically proposed by the Adviser to address the trading discounts of certain funds. The Independent Board Members considered the evaluation of the premium and discount levels of the closed-end funds (either at the Board level or through the Closed-End Funds Committee) to be a continuing priority in their oversight of the closed-end funds. In its review, the Board noted that it also reviewed Fund performance results at each of its quarterly meetings.

In evaluating performance, the Board recognized several factors that may impact the performance data as well as the consideration given to particular performance data.

- The performance data reflected a snapshot in time, in this case as of the end of the most recent calendar year or quarter. A different performance period, however, could generate significantly different results.

- Long-term performance can be adversely affected by even one period of significant underperformance so that a single investment decision or theme had the ability to disproportionately affect long-term performance.

- The investment experience of a particular shareholder in a fund would vary depending on when such shareholder invested in the fund, the class held (if multiple classes are offered in the fund) and the performance of the fund (or respective class) during that shareholder's investment period.

- The Board recognized that the funds in the Performance Peer Group may differ somewhat from the Fund with which it is being compared and due to these differences, performance comparisons between the Funds and their Performance Peer Group may be inexact and the relevancy limited. The Board considered that management had classified the Performance Peer Group as low, medium and high in relevancy. The Board took the analysis of the relevancy of the Performance Peer Group into account when considering the comparative performance data. The Board also considered comparative performance of an applicable benchmark. While the Board was cognizant of the relative performance of a Fund's peer set and/or benchmark(s), the Board evaluated Fund performance in light of the respective Fund's investment objectives, investment parameters and guidelines and considered that the variations between the objectives and investment parameters or guidelines of the Fund with its peers and/or benchmarks result in differences in performance results. Further, for funds that utilized leverage, the Board understood that leverage during different periods could provide both benefits and risks to a portfolio as compared to an unlevered benchmark.

With respect to any Nuveen funds for which the Board has identified performance concerns, the Board monitors such funds closely until performance improves, discusses with the Adviser the reasons for such results, considers those steps necessary or appropriate to address such issues, and reviews the results of any efforts undertaken. The Board is aware, however, that shareholders chose to invest or remain invested in a fund knowing that the Adviser manages the fund and knowing the fund's fee structure.

In considering the performance data, the Independent Board Members noted the following with respect to the Funds:

For Nuveen Georgia Dividend Advantage Municipal Fund 2 (the "Georgia Dividend Advantage Fund 2"), the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile for the one-, three- and five-year periods, the Fund outperformed its benchmark in each of such periods. The Board recognized the Fund's higher exposure to short to intermediate maturity bonds compared to peers detracted from its peer relative performance. The Board also recognized the Fund's positive absolute performance for the one-, three- and five-year periods.

For Nuveen Maryland Premium Income Municipal Fund (the "Maryland Premium Income Fund"), the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile for the one-, three- and five-year periods, the Fund outperformed its benchmark in each of such periods. The Board recognized that the Fund lagged its peers due to its higher exposure to short to intermediate maturity bonds, above average exposure to Puerto Rico bonds (which had been reduced in 2014) and the low returns available in Maryland in 2014 compared to other states in the peer group. The Board also recognized the Fund's positive absolute performance for the one-, three- and five-year periods.

For Nuveen Minnesota Municipal Income Fund (the "Minnesota Fund"), the Board noted that the Fund ranked in its Performance Peer Group in the second quartile for the one-, three- and five-year periods and outperformed its benchmark for each of such periods.

For Nuveen Missouri Premium Income Municipal Fund (the "Missouri Premium Income Fund"), the Board noted that the Fund ranked in its Performance Peer Group in the third quartile for the one-, three- and five-year periods. The Fund also underper-formed its benchmark in the five-year period but outperformed its benchmark in the one- and three-year periods.

For Nuveen North Carolina Premium Income Municipal Fund (the "North Carolina Premium Income Fund"), the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile in the five-year period, the Fund ranked in the third quartile in the one- and three-year periods and outperformed its benchmark in the one-, three- and five-year periods.

For Nuveen Virginia Premium Income Municipal Fund (the "Virginia Premium Income Fund"), the Board noted that, although the Fund ranked in its Performance Peer Group in the fourth quartile in the longer three- and five-year periods, the Fund ranked in the third quartile in the one-year period and outperformed its benchmark in the one-, three- and five-year periods.

Based on their review, the Independent Board Members determined that each Fund's investment performance had been satisfactory.

C. Fees, Expenses and Profitability

1. Fees and Expenses

The Board evaluated the management fees and other fees and expenses of each Fund (expressed as a percentage of average net assets) in absolute terms and in comparison to the fee and expense levels of a comparable universe of funds (the "Peer Universe") selected by an independent third-party fund data provider. The Independent Board Members reviewed the methodology regarding the construction of the Peer Universe for each Fund. The Board reviewed, among other things, such Fund's gross management fees, net management fees and net expense ratios in absolute terms as well as compared to the average and median fee and expense levels of the Peer Universe. The

Board noted that the net total expense ratios paid by investors in the Funds were the most representative of an investor's net experience. The Board Members also considered any fee waivers and/or expense reimbursement arrangements currently in effect for the Funds.

In reviewing the comparative fee and expense information, the Independent Board Members recognized that various factors such as the limited size and particular composition of the Peer Universe (including the inclusion of other Nuveen funds in the peer set); expense anomalies; changes in the funds comprising the Peer Universe from year to year; levels of reimbursement or fee waivers; the timing of information used; the differences in the type and use of leverage (with respect to closed-end funds); differences in services provided and differences in the states reflected in the Peer Universe (with respect to state municipal funds) can impact the comparative data limiting the usefulness of the data to help make a conclusive assessment of the Funds' fees and expenses.

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

In reviewing the fee schedule for a fund, the Independent Board Members also considered the fund-level and complex-wide breakpoint schedules (described in further detail below) and any fee waivers and reimbursements provided by Nuveen. In reviewing fees and expenses (excluding leverage costs and leveraged assets for the closed-end funds), the Board considered the expenses and fees to be higher if they were over 10 basis points higher, slightly higher if they were approximately 6 to 10 basis points higher, in line if they were within approximately 5 basis points higher than the peer average and below if they were below the peer average of the Peer Universe. In reviewing the reports, the Board noted that the majority of the Nuveen funds had a net expense ratio near or below their peer average.

The Board noted that the Georgia Dividend Advantage Fund 2, the Maryland Premium Income Fund, the North Carolina Premium Income Fund and the Virginia Premium Income Fund each had a net management fee in line with its peer average and a net expense ratio below its peer average. The Board also noted that the Minnesota Fund and the Missouri Premium Income Fund each had a net expense ratio that was higher than its peer average but a net management fee below or in line with its peer average.

Based on their review of the fee and expense information provided, the Independent Board Members determined that each Fund's management fees (as applicable) to a Fund Adviser were reasonable in light of the nature, extent and quality of services provided to the Fund.

2. Comparisons with the Fees of Other Clients

The Board considered information regarding the fees a Fund Adviser assessed to the Nuveen funds compared to that of other clients as described in further detail below. With respect to municipal funds, such other clients of a Fund Adviser may include municipal separately managed accounts and passively managed exchange traded funds (ETFs) sub-advised by the Sub-Adviser.

The Board recognized that each Fund had an affiliated sub-adviser and therefore the overall Fund management fee can be divided into two components, the fee retained by the Adviser and the fee paid to the Sub-Adviser. The Board considered the range of advisory fee rates for retail and institutional managed accounts advised by Nuveen-affiliated sub-advisers. The Board also reviewed, among other things, the average fee the affiliated sub-advisers assessed such clients as well as the range of fee rates assessed to the different types of clients (such as retail, institutional and wrap accounts as well as non-Nuveen funds) applicable to such sub-advisers.

In reviewing the comparative information, the Board also reviewed information regarding the differences between the Funds and the other clients, including differences in services provided, investment policies, investor profiles, compliance and regulatory requirements and account sizes. The Board recognized the breadth of services necessary to operate a registered investment company (as described above) and that, in general terms, the Adviser provided the administrative and other support services to the Funds and, although the Sub-Adviser may provide some of these services, the Sub-Adviser essentially provided the portfolio management services. In general, the Board noted that higher fee levels reflected higher levels of service provided by the Fund Adviser, increased investment management complexity, greater product management requirements and higher levels of business risk or some combination of the foregoing. The Independent Board Members considered the differences in structure and operations of separately managed accounts and hedge funds from registered funds and noted that the range of day-to-day services was not generally of the breadth required for the registered funds. Many of the additional administrative services provided by the Adviser were not required for institutional clients or funds sub-advised by a Nuveen-affiliated sub-adviser that were offered by other fund groups. The Independent Board Members also recognized that the management fee rates of the foreign funds advised by the Adviser may vary due to, among other things, differences in the client base, governing bodies, operational complexities and services covered by the management fee. Given the inherent differences in the various products, particularly the extensive services provided to the Funds, the Independent Board Members believed such facts justify the different levels of fees.

3. Profitability of Fund Advisers

In conjunction with their review of fees, the Independent Board Members also considered the profitability of Nuveen for its advisory activities and its financial condition. The Independent Board Members reviewed, among other things, the adjusted operating margins for Nuveen for the last two calendar years, the revenues, expenses, net income (pre-tax and after-tax) and net revenue margins (pre-tax and after-tax) of Nuveen's managed fund advisory activities for the last two calendar years, the allocation methodology used by Nuveen in preparing the profitability data and a history of the adjustments to the methodology due to changes in the business over time. The Independent Board Members also reviewed the revenues, expenses, net income (pre-tax and after-tax) and revenue margin (pre-tax and post-tax) of the Adviser and, as described in further detail below, each affiliated sub-adviser for the 2014 calendar year. In reviewing the profitability data, the Independent Board Members noted the subjective nature of cost allocation methodologies used to determine profitability as other reasonable methods could also have been employed but yield different results. The Independent Board Members reviewed an analysis of the key drivers behind the changes in revenues and expenses that impacted profitability in 2014. The Independent Board Members recognized that Nuveen's net revenue margin from advisory activities for 2014 was consistent with 2013. The Independent Board Members also considered the profitability of Nuveen in comparison to the adjusted operating margins of other investment advisers with publicly available data and with comparable assets under management (based on asset size and asset composition) to Nuveen. The Independent Board Members noted that Nuveen's adjusted operating margins appeared to be reasonable in relation to such other advisers. The Independent Board Members, however, recognized the difficulty of making comparisons of profitability from fund investment advisory contracts as the information is not generally publicly available, the information for the investment advisers that was publicly available may not be representative of the industry and various other factors would impact the profitability data such as differences in services offered, business mix, expense methodology and allocations, capital structure and costs, complex size, and types of funds and other accounts managed.

The Independent Board Members noted this information supplemented the profitability information requested and received during the year and noted that two Independent Board Members served as point persons to review the profitability analysis and methodologies employed, and any changes thereto, and to keep the Board apprised of such changes during the year.

The Independent Board Members determined that Nuveen appeared to be sufficiently profitable to operate as a viable investment management firm and to honor its obligations as a sponsor of the Nuveen funds. The Independent Board Members noted the Adviser's continued expenditures to upgrade its investment technology and increase personnel and recognized the Adviser's continued commitment to its business to enhance the Adviser's capacity and capabilities in providing the services necessary to meet the needs of the Nuveen funds as they grow or change over time. The Independent Board Members also noted that the sub-advisory fees for the Nuveen funds are paid by the Adviser, however, the Board recognized that many of the sub-advisers, including the Sub-Adviser, are affiliated with Nuveen. The Independent Board Members also noted the increased resources and support available to Nuveen as well as an improved capital structure as a result of the TIAA-CREF Transaction.

With respect to the Sub-Adviser, the Independent Board Members reviewed the Sub-Adviser's revenues, expenses and revenue margins (pre- and post-tax) for its advisory activities for the calendar year ended December 31, 2014. The Independent Board Members also reviewed profitability analysis reflecting the revenues, expenses and the revenue margin (pre- and post-tax) by asset type for the Sub-Adviser for the calendar year ended December 31, 2014.

In evaluating the reasonableness of the compensation, the Independent Board Members also considered other amounts paid to a Fund Adviser by the Funds as well as indirect benefits (such as soft dollar arrangements), if any, the Fund Adviser and its affiliates received or were expected to receive that were directly attributable to the management of a Fund. 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, the Independent Board Members determined that the Adviser's and the Sub-Adviser's level of profitability was reasonable in light of the respective services provided.

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

The Independent Board Members recognized that, as the assets of a particular fund or the Nuveen complex in the aggregate increase over time, economies of scale may be realized, and the Independent Board Members considered the extent to which the funds benefit from such economies of scale. Although the Independent Board Members recognized that economies of scale are difficult to measure, the Board recognized that one method to help ensure the shareholders share in these benefits is to include breakpoints in the management fee schedule reducing fee rates as asset levels grow. The Independent Board Members noted that, subject to certain exceptions, the management fees of the funds in the Nuveen complex are generally

Annual Investment Management Agreement Approval Process (Unaudited) (continued)

comprised of a fund-level component and complex-level component. Each component of the management fee for each Fund included breakpoints to reduce management fee rates of the Fund as the Fund grows and, as described below, as the Nuveen complex grows. The Independent Board Members noted that, in the case of closed-end funds, however, such funds may from time-to-time make additional share offerings, but the growth of their assets would occur primarily through the appreciation of such funds' investment portfolios. In addition to fund-specific breakpoint schedules which reduce the fee rates of a particular fund as its assets increase, the Independent Board Members recognized that the Adviser also passed on the benefits of economies of scale through the complex-wide fee arrangement which reduced management fee rates as assets in the fund complex reached certain levels. The complex-wide fee arrangement seeks to provide the benefits of economies of scale to fund shareholders when total fund complex assets increase, even if assets of a particular fund are unchanged or have decreased. The approach reflected the notion that some of Nuveen's costs were attributable to services provided to all its funds in the complex, and therefore all funds benefit if these costs were spread over a larger asset base. The Independent Board Members reviewed the breakpoint and complex-wide schedules and the fee reductions achieved as a result of such structures for the 2014 calendar year.

The Independent Board Members also noted that additional economies of scale were shared with shareholders of the Minnesota Fund through the adoption of a temporary expense cap. The Independent Board Members further considered that as part of the TIAA-CREF Transaction, Nuveen agreed, for a period of two years from the date of the closing of the TIAA-CREF Transaction, not to increase contractual management fees for any Nuveen fund and, with respect to the Nuveen funds with expense caps, not to raise expense cap levels for such funds from levels in effect at that time or scheduled to go into effect prior to the closing of the TIAA-CREF Transaction. The commitment would not limit or otherwise affect mergers or liquidations of any funds in the ordinary course.

Based on their review, the Independent Board Members concluded that the current fee structure was acceptable and reflected economies of scale to be shared with shareholders when assets under management increase.

E. Indirect Benefits

The Independent Board Members received and considered information regarding potential "fall out" or ancillary benefits the respective Fund Adviser or its affiliates may receive as a result of its relationship with the Funds. With respect to closed-end funds, the Independent Board Members noted any revenues received by affiliates of the Adviser for serving as co-manager in initial public offerings of new closed-end funds.

In addition to the above, the Independent 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 Fund and other clients. The Funds' portfolio transactions are allocated by the Sub-Adviser. Accordingly, the Independent Board Members considered that the Sub-Adviser may benefit from research provided by broker-dealers executing portfolio transactions on behalf of the Funds. With respect to any fixed income securities, however, the Board recognized that such securities generally trade on a principal basis that does not generate soft dollar credits. Similarly, the Board recognized that any research received pursuant to soft dollar arrangements by the Sub-Adviser may also benefit the Funds and shareholders to the extent the research enhanced the ability of the Sub-Adviser to manage the Funds. The Independent Board Members noted that the Sub-Adviser's profitability may be somewhat lower if it had to acquire any such research services directly.

Based on their review, the Independent 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 Independent Board Members did not identify any single factor discussed previously as all-important or controlling. The Board Members, including the Independent Board Members, concluded that the terms of each Advisory Agreement were fair and reasonable, that the respective Fund Adviser's fees were reasonable in light of the services provided to each Fund and that the Advisory Agreements be renewed.

Notes

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Nuveen Investments:
Serving Investors for Generations

Since 1898, financial advisors and their clients have relied on Nuveen Investments to provide dependable investment solutions through continued adherence to proven, long-term investing principles. Today, we offer a range of high quality equity and fixed-income solutions designed to be integral components of a well-diversified core portfolio.

Focused on meeting investor needs.

Nuveen Investments provides high-quality investment services designed to help secure the long-term goals of institutional and individual investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets a wide range of specialized investment solutions which provide investors access to capabilities of its high-quality boutique investment affiliates—Nuveen Asset Management, Symphony Asset Management, NWQ Investment Management Company, Santa Barbara Asset Management, Tradewinds Global Investors, Winslow Capital Management and Gresham Investment Management. In total, Nuveen Investments managed $230 billion as of June 30, 2015.

Find out how we can help you.

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ITEM 2. CODE OF ETHICS.

As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. There were no amendments to or waivers from the Code during the period covered by this report. The registrant has posted the code of ethics on its website at www.nuveen.com/CEF/Shareholder/FundGovernance.aspx. (To view the code, click on Code of Conduct.)

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant's Board of Directors or Trustees ("Board") determined that the registrant has at least one "audit committee financial expert" (as defined in Item 3 of Form N-CSR) serving on its Audit Committee. The registrant's audit committee financial experts are Carole E. Stone and Jack B. Evans, who are "independent" for purposes of Item 3 of Form N-CSR.

Ms. Stone served for five years as Director of the New York State Division of the Budget. As part of her role as Director, Ms. Stone was actively involved in overseeing the development of the State's operating, local assistance and capital budgets, its financial plan and related documents; overseeing the development of the State's bond-related disclosure documents and certifying that they fairly presented the State's financial position; reviewing audits of various State and local agencies and programs; and coordinating the State's system of internal audit and control. Prior to serving as Director, Ms. Stone worked as a budget analyst/examiner with increasing levels of responsibility over a 30 year period, including approximately five years as Deputy Budget Director. Ms. Stone has also served as Chair of the New York State Racing Association Oversight Board, as Chair of the Public Authorities Control Board, as a Commissioner on the New York State Commission on Public Authority Reform and as a member of the Boards of Directors of several New York State public authorities. These positions have involved overseeing operations and finances of certain entities and assessing the adequacy of project/entity financing and financial reporting. Currently, Ms. Stone is on the Board of Directors of CBOE Holdings, Inc., of the Chicago Board Options Exchange, and of C2 Options Exchange. Ms. Stone's position on the boards of these entities and as a member of both CBOE Holdings' Audit Committee and its Finance Committee has involved, among other things, the oversight of audits, audit plans and preparation of financial statements.

Mr. Evans was formerly President and Chief Operating Officer of SCI Financial Group, Inc., a full service registered broker-dealer and registered investment adviser ("SCI"). As part of his role as President and Chief Operating Officer, Mr. Evans actively supervised the Chief Financial Officer (the "CFO") and actively supervised the CFO's preparation of financial statements and other filings with various regulatory authorities. In such capacity, Mr. Evans was actively involved in the preparation of SCI's financial statements and the resolution of issues raised in connection therewith. Mr. Evans has also served on the audit committee of various reporting companies. At such companies, Mr. Evans was involved in the oversight of audits, audit plans, and the preparation of financial statements. Mr. Evans also formerly chaired the audit committee of the Federal Reserve Bank of Chicago.

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Nuveen Missouri Premium Income Municipal Fund

The following tables show the amount of fees billed to the Fund during the Fund's last two fiscal years by KPMG LLP, the Fund's current auditor (engaged on August 7, 2014), and Ernst & Young LLP, the Fund's former auditor. The audit fees billed to the Fund for the fiscal year 2015 are the only fees that have been billed to the Fund by KPMG LLP. All other fees listed in the tables below were billed to the Fund by Ernst & Young LLP. For engagements with KPMG LLP and Ernst & Young LLP, the Audit Committee approved in advance all audit services and non-audit services that

KPMG LLP and Ernst & Young LLP provided to the Fund, except for those non-audit services that were subject to the pre-approval exception under Rule 2-01 of Regulation S-X (the “pre-approval exception”). The pre-approval exception for services provided directly to the Fund waives the pre-approval requirement for services other than audit, review or attest services if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid by the Fund to its accountant during the fiscal year in which the services are provided; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the audit is completed.

The Audit Committee has delegated certain pre-approval responsibilities to its Chairman (or, in his absence, any other member of the Audit Committee).

SERVICES THAT THE FUND’S AUDITOR BILLED TO THE FUND

Fiscal Year Ended	Audit Fees Billed to Fund 1	Audit-Related Fees Billed to Fund 2	Tax Fees Billed to Fund 3	All Other Fees Billed to Fund 4
May 31, 2015	$22,500	$ 0	$0	$0
Percentage approved pursuant to pre-approval exception	0 %	0 %	0 %	0 %
May 31, 2014	$24,750	$ 0	$673	$0
Percentage approved pursuant to pre-approval exception	0 %	0 %	0 %	0 %

1 "Audit Fees" are the aggregate fees billed for professional services for the audit of the Fund's annual financial statements and services provided in
connection with statutory and regulatory filings or engagements.

2 "Audit Related Fees" are the aggregate fees billed for assurance and related services reasonably related to the performance of the audit or review of
financial statements that are not reported under "Audit Fees". These fees include offerings related to the Fund's common shares and leverage.

3 "Tax Fees" are the aggregate fees billed for professional services for tax advice, tax compliance, and tax planning. These fees include: all global
withholding tax services; excise and state tax reviews; capital gain, tax equalization and taxable basis calculation performed by the principal accountant.

4 "All Other Fees" are the aggregate fees billed for products and services other than "Audit Fees", "Audit-Related Fees" and "Tax Fees". These fees
represent all "Agreed-Upon Procedures" engagements pertaining to the Fund's use of leverage.

SERVICES THAT THE FUND'S AUDITOR BILLED TO THE ADVISER AND AFFILIATED FUND SERVICE PROVIDERS

The following tables show the amount of fees billed by KPMG LLP and Ernst & Young LLP to Nuveen Fund Advisors, LLC (formerly Nuveen Fund Advisors, Inc.) (the "Adviser"), and any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund ("Affiliated Fund Service Provider"), for engagements directly related to the Fund's operations and financial reporting, during the Fund's last two full fiscal years.

The tables also show the percentage of fees subject to the pre-approval exception. The pre-approval exception for services provided to the Adviser and any Affiliated Fund Service Provider (other than audit, review or attest services) waives the pre-approval requirement if: (A) the aggregate amount of all such services provided constitutes no more than 5% of the total amount of revenues paid to KPMG LLP and Ernst & Young LLP by the Fund, the Adviser and Affiliated Fund Service Providers during the fiscal year in which the services are provided that would have to be pre-approved by the Audit Committee; (B) the Fund did not recognize the services as non-audit services at the time of the engagement; and (C) the services are promptly brought to the Audit Committee's attention, and the Committee (or its delegate) approves the services before the Fund's audit is completed.

Fiscal Year Ended	Audit-Related Fees Billed to Adviser and Affiliated Fund Service Providers	Tax Fees Billed to Adviser and Affiliated Fund Service Providers	All Other Fees Billed to Adviser and Affiliated Fund Service Providers
May 31, 2015	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%
May 31, 2014	$ 0	$ 0	$ 0
Percentage approved pursuant to pre-approval exception	0%	0%	0%

NON-AUDIT SERVICES

The following table shows the amount of fees that KPMG LLP and Ernst & Young LLP billed during the Fund's last two full fiscal years for non-audit services. The Audit Committee is required to pre-approve non-audit services that KPMG LLP and Ernst & Young LLP provides to the Adviser and any Affiliated Fund Services Provider, if the engagement related directly to the Fund's operations and financial reporting (except for those subject to the pre-approval exception described above). The Audit Committee requested and received information from KPMG LLP and Ernst & Young LLP about any non-audit services that KPMG LLP and Ernst & Young LLP rendered during the Fund's last fiscal year to the Adviser and any Affiliated Fund Service Provider. The Committee considered this information in evaluating KPMG LLP and Ernst & Young LLP's independence.

	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service Providers (engagements related directly to the	Total Non-Audit Fees billed to Adviser and Affiliated Fund Service

Fiscal Year Ended	Total Non-Audit Fees Billed to Fund	operations and financial reporting of the Fund)	Providers (all other engagements)	Total
May 31, 2015	$ 0	$ 0	$ 0	$ 0
May 31, 2014	$ 673	$ 0	$ 0	$ 673

"Non-Audit Fees billed to Fund" for both fiscal year ends represent "Tax Fees" and "All Other Fees" billed to Fund in their respective amounts from the previous table.

Less than 50 percent of the hours expended on the principal accountant's engagement to audit the registrant's financial statements for the most recent fiscal year were attributed to work performed by persons other than the principal accountant's full-time, permanent employees.

Audit Committee Pre-Approval Policies and Procedures. Generally, the Audit Committee must approve (i) all non-audit services to be performed for the Fund by the Fund's independent accountants and (ii) all audit and non-audit services to be performed by the Fund's independent accountants for the Affiliated Fund Service Providers with respect to operations and financial reporting of the Fund. Regarding tax and research projects conducted by the independent accountants for the Fund and Affiliated Fund Service Providers (with respect to operations and financial reports of the Fund) such engagements will be (i) pre-approved by the Audit Committee if they are expected to be for amounts greater than $10,000; (ii) reported to the Audit Committee chairman for his verbal approval prior to engagement if they are expected to be for amounts under $10,000 but greater than $5,000; and (iii) reported to the Audit Committee at the next Audit Committee meeting if they are expected to be for an amount under $5,000.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

The registrant's Board has a separately designated Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78c(a)(58)(A)). The members of the audit committee are Jack B. Evans, David J. Kundert, John K. Nelson, Carole E. Stone and Terence J. Toth.

ITEM 6. SCHEDULE OF INVESTMENTS.

a) See Portfolio of Investments in Item 1.

b) Not applicable.

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Nuveen Fund Advisors, LLC is the registrant's investment adviser (also referred to as the "Adviser"). The Adviser is responsible for the on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC ("Sub-Adviser") as Sub-Adviser to provide discretionary investment advisory services. As part of these services, the Adviser has delegated to the Sub-Adviser the full responsibility for proxy voting on securities held in the registrant's portfolio and related duties in accordance with the Sub-Adviser's policies and procedures. The Adviser periodically monitors the Sub-Adviser's voting to ensure that it is carrying out its duties. The Sub-Adviser's proxy voting policies and procedures are attached to this filing as an exhibit and incorporated herein by reference.

ITEM 8. PORTFOLIO MANAGERS OF CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Nuveen Fund Advisors, LLC is the registrant's investment adviser (also referred to as the "Adviser"). The Adviser is responsible for the selection and on-going monitoring of the Fund's investment portfolio, managing the Fund's business affairs and providing certain clerical, bookkeeping and administrative services. The Adviser has engaged Nuveen Asset Management, LLC ("Nuveen Asset Management" or "Sub-Adviser") as Sub-Adviser to provide discretionary investment advisory services. The following section provides information on the portfolio manager at the Sub-Adviser:

Item 8(a)(1). PORTFOLIO MANAGER BIOGRAPHY

Christopher L. Drahn, CFA, Senior Vice President of Nuveen Asset Management, manages several municipal funds and portfolios. He joined Nuveen Asset Management on January 1, 2011 in connection with Nuveen Fund Advisors acquiring a portion of the asset management business of FAF Advisors. He began working in the financial industry when he joined FAF Advisors in 1980. Chris became a portfolio manager in 1988. He received a B.A. from Wartburg College and an M.B.A. in finance from the University of Minnesota. Chris holds the Chartered Financial Analyst designation.

Item 8(a)(2). OTHER ACCOUNTS MANAGED BY THE PORTFOLIO MANAGER

In addition to managing the registrant, the portfolio manager is also primarily responsible for the day-to-day portfolio management of the following accounts:

Portfolio Manager	Type of Account Managed	Number of Accounts	Assets*
Christopher L. Drahn	Registered Investment Company	8	$ 3.668 billion
	Other Pooled Investment Vehicles	0	$ 0
	Other Accounts	2	$116.8 million

* Assets are as of May 31, 2015. None of the assets in these accounts are subject to an advisory fee based on performance.

POTENTIAL MATERIAL CONFLICTS OF INTEREST

Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one account. More specifically, portfolio managers who manage multiple accounts are presented a number of potential conflicts, including, among others, those discussed below.

The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. Nuveen Asset Management seeks to manage such competing interests for the time and attention of portfolio managers by having portfolio managers focus on a particular investment discipline. Most accounts managed by a portfolio manager in a particular investment strategy are managed using the same investment models.

If a portfolio manager identifies a limited investment opportunity which may be suitable for more than one account, an account may not be able to take full advantage of that opportunity due to an allocation of filled purchase or sale orders across all eligible accounts. To deal with these situations, Nuveen Asset Management has adopted procedures for allocating limited opportunities across multiple accounts.

With respect to many of its clients' accounts, Nuveen Asset Management determines which broker to use to execute transaction orders, consistent with its duty to seek best execution of the transaction. However, with respect to certain other accounts, Nuveen Asset Management may be limited by the client with respect to the selection of brokers or may be instructed to direct trades through a particular broker. In these cases, Nuveen Asset Management may place separate, non-simultaneous, transactions for a Fund and other accounts which may temporarily affect the market price of the security or the execution of the transaction, or both, to the detriment of the Fund or the other accounts.

Some clients are subject to different regulations. As a consequence of this difference in regulatory requirements, some clients may not be permitted to engage in all the investment techniques or transactions or to engage in these transactions to the same extent as the other accounts managed by the portfolio manager. Finally, the appearance of a conflict of interest may arise where Nuveen Asset Management has an incentive, such as a performance-based management fee, which relates to the management of some accounts, with respect to which a portfolio manager has day-to-day management responsibilities.

Nuveen Asset Management has adopted certain compliance procedures which are designed to address these types of conflicts common among investment managers. However, there is no guarantee that such procedures will detect each and every situation in which a conflict arises.

Item 8(a)(3). FUND MANAGER COMPENSATION

Portfolio manager compensation consists primarily of base pay, an annual cash bonus and long term incentive payments.

Base pay. Base pay is determined based upon an analysis of the portfolio manager’s general performance, experience, and market levels of base pay for such position.

Annual cash bonus. The Fund’s portfolio managers are eligible for an annual cash bonus based on investment performance, qualitative evaluation and financial performance of Nuveen Asset Management.

A portion of each portfolio manager’s annual cash bonus is based on the Fund’s investment performance, generally measured over the past one- and three or five-year periods unless the portfolio manager’s tenure is shorter. Investment performance for the Fund generally is determined by evaluating the Fund’s performance relative to its benchmark(s) and/or Lipper industry peer group.

A portion of the cash bonus is based on a qualitative evaluation made by each portfolio manager’s supervisor taking into consideration a number of factors, including the portfolio manager’s team collaboration, expense management, support of personnel responsible for asset growth, and his or her compliance with Nuveen Asset Management’s policies and procedures.

The final factor influencing a portfolio manager’s cash bonus is the financial performance of Nuveen Asset Management based on its operating earnings.

Long-term incentive compensation. Certain key employees of Nuveen Investments and its affiliates, including certain portfolio managers, participate in a Long-Term Performance Plan designed to provide compensation opportunities that links a portion of each participant’s compensation to Nuveen Investments’ financial and operational performance. In addition, certain key employees of Nuveen Asset Management, including certain portfolio managers, have received profits interests in Nuveen Asset Management which entitle their holders to participate in the firm’s growth over time.

There are generally no differences between the methods used to determine compensation with respect to the Fund and the Other Accounts shown in the table above.

Item 8(a)(4). OWNERSHIP OF NOM SECURITIES AS OF MAY 31, 2015

Name of Portfolio	$1 - $10,000	$10,001-$50,000	$50,001-$100,000	$100,001-$500,000	$500,001-$1,000,000	Over $1,000,000

Manager	None
Christopher L. Drahn	X

ITEM 9. PURCHASES OF EQUITY SECURITIES BY CLOSED-END MANAGEMENT INVESTMENT COMPANY AND AFFILIATED PURCHASERS.

Not applicable.

ITEM 10. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

There have been no material changes to the procedures by which shareholders may recommend nominees to the registrant's Board implemented after the registrant last provided disclosure in response to this Item.

ITEM 11. CONTROLS AND PROCEDURES.

(a) The registrant's principal executive and principal financial officers, or persons performing similar functions, have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act") (17 CFR 270.30a-3(c))) are effective, as of a date within 90 days of the filing date of this report that includes the disclosure required by this paragraph, based on their evaluation of the controls and procedures required by Rule 30a-3(b) under the 1940 Act (17 CFR 270.30a-3(b)) and Rules 13a-15(b) or 15d-15(b) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (17 CFR 240.13a-15(b) or 240.15d-15(b)).

(b) There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act (17 CFR 270.30a-3(d)) that occurred during the second fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 12. EXHIBITS.

File the exhibits listed below as part of this Form.

(a)(1) Any code of ethics, or amendment thereto, that is the subject of the disclosure required by Item 2, to the extent that the registrant intends to satisfy the Item 2 requirements through filing of an exhibit: Not applicable because the code is posted on registrant's website at www.nuveen.com/CEF/Shareholder/FundGovernance.aspx and there were no amendments during the period covered by this report. (To view the code, click on Code of Conduct.)

(a)(2) A separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the 1940 Act (17 CFR 270.30a-2(a)) in the exact form set forth below: Ex-99.CERT Attached hereto.

(a)(3) Any written solicitation to purchase securities under Rule 23c-1 under the 1940 Act (17 CFR 270.23c-1) sent or given during the period covered by the report by or on behalf of the registrant to 10 or more persons. Not applicable.

(b) If the report is filed under Section 13(a) or 15(d) of the Exchange Act, provide the certifications required by Rule 30a-2(b) under the 1940 Act (17 CFR 270.30a-2(b)); Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act (17 CFR 240.13a-14(b) or 240.15d-14(b)), and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. 1350) as an exhibit. A certification furnished pursuant to this paragraph will not be deemed "filed" for

purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.
Ex-99.906 CERT attached hereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

(Registrant) Nuveen Missouri Premium Income Municipal Fund

By (Signature and Title) /s/ Kevin J. McCarthy
Kevin J. McCarthy
Vice President and Secretary

Date: August 7, 2015

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title) /s/ Gifford R. Zimmerman
Gifford R. Zimmerman
Chief Administrative Officer
(principal executive officer)

Date: August 7, 2015

By (Signature and Title) /s/ Stephen D. Foy
Stephen D. Foy
Vice President and Controller
(principal financial officer)

Date: August 7, 2015