

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

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

SCHEDULE 14A

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

Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
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Nuveen AMT-Free Municipal Income Fund

(Name of Registrant as Specified In Its Charter)

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

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- No fee required.
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**IMPORTANT NOTICE TO HOLDERS OF
VARIABLE RATE DEMAND PREFERRED SHARES OF
NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)**

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

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

MAY 3, 2016

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

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

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

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

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

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

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

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

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

Proposals Regarding the Reorganizations

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the same liquidation preference and final mandatory redemption date;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Q. What is the timetable for the Reorganizations?

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

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

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

General

Q. Who do I call if I have questions?

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

Q. How do I vote my VRDP Shares?

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

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

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

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

Q. Will anyone contact me?

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

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

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

MAY 3, 2016

NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)

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

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

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

To the Holders of Variable Rate Demand Preferred Shares:

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

The Annual Meeting will be held for the following purposes:

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

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

(a) *For AMT-Free Income:*

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

(b) *For each Target Fund:*

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

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

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

For AMT-Free Income:

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

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

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

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

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

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

Kevin J. McCarthy

Vice President and Secretary

The Nuveen Funds

NUVEEN FUNDS

333 WEST WACKER DRIVE

CHICAGO, ILLINOIS 60606

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JOINT PROXY STATEMENT

FOR HOLDERS OF VARIABLE RATE DEMAND PREFERRED SHARES OF

NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)

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

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

MAY 3, 2016

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

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

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

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

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

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

Proposal No. 1.

(all Funds) To elect Board Members:

With respect to AMT-Free Income:

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

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

With respect to Market Opportunity and Premium Income 2:

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

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

Proposal No. 2.

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

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

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

Proposal No. 3.

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

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

shareholders voting separately.

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

Quorum and Voting

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

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

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

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

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

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

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

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

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

The Reorganizations

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

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

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

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

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

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

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

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

Incorporation by Reference and Additional Information

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

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

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

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

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

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

JOINT PROXY STATEMENT

MAY 3, 2016

NUVEEN AMT-FREE MUNICIPAL INCOME FUND (NEA)

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

(EACH, A FUND AND COLLECTIVELY, THE FUNDS)

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PROPOSAL NO. 1 THE ELECTION OF BOARD MEMBERS

(PREFERRED SHAREHOLDERS OF EACH FUND)

AMT-Free Income:

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

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

Market Opportunity and Premium Income 2:

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

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

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

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

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

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

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

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

Board Nominees/Board Members

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

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

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

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

Length of Service:
 Since 2013

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

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

Length of Service:
Since 2008

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

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

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

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

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

Share Ownership

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

Dollar Range of Equity Securities

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

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

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

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

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

Compensation

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

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

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

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

Aggregate Compensation from the Funds⁽¹⁾⁽²⁾

Fund	Jack B. Evans	William C. Hunter	David J. Kundert	John K. Nelson	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Virginia L. Stringer⁽³⁾	Terence J. Toth
AMT-Free Income	\$ 4,447	\$ 4,082	\$ 4,132	\$ 4,202	\$ 4,686	\$ 3,892	\$ 4,389	\$ 3,881	\$ 4,520
Market Opportunity	2,774	2,546	2,578	2,621	2,924	2,428	2,737	2,421	2,819
Premium Income 2	4,194	3,850	3,897	3,963	4,419	3,671	4,139	3,660	4,263
Total Compensation from Nuveen Funds Paid to Board Members	\$ 326,984	\$							