

NUVEEN MASSACHUSETTS PREMIUM INCOME MUNICIPAL FUND
Form N-CSR
August 08, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-7484

Nuveen Massachusetts Premium Income Municipal Fund
(Exact name of registrant as specified in charter)

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Address of principal executive offices) (Zip code)

Kevin J. McCarthy
Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606
(Name and address of agent for service)

Registrant's telephone number, including area code: (312) 917-7700

Date of fiscal year end: May 31

Date of reporting period: May 31, 2012

Form N-CSR is to be used by management investment companies to file reports with the Commission not later than 10 days after the transmission to stockholders of any report that is required to be transmitted to stockholders under Rule 30e-1 under the Investment Company Act of 1940 (17 CFR 270.30e-1). The Commission may use the information provided on Form N-CSR in its regulatory, disclosure review, inspection, and policymaking roles.

A registrant is required to disclose the information specified by Form N-CSR, and the Commission will make this information public. A registrant is not required to respond to the collection of information contained in Form N-CSR unless the Form displays a currently valid Office of Management and Budget ("OMB") control number. Please direct comments concerning the accuracy of the information collection burden estimate and any suggestions for reducing the burden to Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. The OMB has reviewed this collection of information under the clearance requirements of 44 U.S.C. ss. 3507.

ITEM 1. REPORTS TO STOCKHOLDERS.

LIFE IS COMPLEX.

Nuveen makes things e-simple.

It only takes a minute to sign up for e-Reports. Once enrolled, you'll receive an e-mail as soon as your Nuveen Fund information is ready. No more waiting for delivery by regular mail. Just click on the link within the e-mail to see the report and save it on your computer if you wish.

Free e-Reports right to your e-mail!

www.investordelivery.com

If you receive your Nuveen Fund distributions and statements from your financial advisor or brokerage account.

OR

www.nuveen.com/accountaccess

If you receive your Nuveen Fund distributions and statements directly from Nuveen.

Table of Contents

Chairman’s Letter to Shareholders	4
Portfolio Managers’ Comments	5
Fund Leverage and Other Information	14
Common Share Dividend and Price Information	16
Performance Overviews	18
Shareholder Meeting Report	26
Report of Independent Registered Public Accounting Firm	32
Portfolios of Investments	33
Statement of Assets and Liabilities	68
Statement of Operations	70
Statement of Changes in Net Assets	72
Statement of Cash Flows	75
Financial Highlights	78
Notes to Financial Statements	89
Annual Investment Management Agreement Approval Process	103
Board Member & Officers	112
Reinvest Automatically, Easily and Conveniently	117
Glossary of Terms Used in this Report	119
Additional Fund Information	123

Chairman's
Letter to Shareholders

Dear Shareholders,

Investors have many reasons to remain cautious. The challenges in the Euro area are casting a shadow over global economies and financial markets. The political support for addressing fiscal issues is eroding as the economic and social impacts become more visible. At the same time, member nations appear unwilling to provide adequate financial support or to surrender sufficient sovereignty to strengthen the banks or unify the Euro area financial system. The gains made in reducing deficits, and the hard-won progress on winning popular acceptance of the need for economic austerity, are at risk. To their credit, European political leaders press on to find compromise solutions, but there is increasing concern that time will begin to run out.

In the U.S., strong corporate earnings have enabled the equity markets to withstand much of the downward pressures coming from weakening job creation, slower economic growth and political uncertainty. The Fed remains committed to low interest rates but has refrained from predicting another program of quantitative easing unless economic growth were to weaken significantly or the threat of recession appears on the horizon. Pre-election maneuvering has added to the already highly partisan atmosphere in the Congress. The end of the Bush-era tax cuts and implementation of the spending restrictions of the Budget Control Act of 2011, both scheduled to take place at year-end, loom closer.

During the last year, U.S. based investors have experienced a sharp decline and a strong recovery in the equity markets. The experienced investment teams at Nuveen keep their eye on a longer time horizon and use their practiced investment disciplines to negotiate through market peaks and valleys to achieve long-term goals for investors. Experienced professionals pursue investments that will weather short-term volatility and at the same time, seek opportunities that are created by markets that overreact to negative developments. Monitoring this process is an important consideration for the Fund Board as it oversees your Nuveen Fund on your behalf.

As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund. On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
July 20, 2012

4 Nuveen Investments

Portfolio Managers' Comments

Nuveen Connecticut Premium Income Municipal Fund (NTC)
Nuveen Connecticut Dividend Advantage Municipal Fund (NFC)
Nuveen Connecticut Dividend Advantage Municipal Fund 2 (NGK)
Nuveen Connecticut Dividend Advantage Municipal Fund 3 (NGO)
Nuveen Massachusetts Premium Income Municipal Fund (NMT)
Nuveen Massachusetts Dividend Advantage Municipal Fund (NMB)
Nuveen Massachusetts AMT-Free Municipal Income Fund (NGX)
(formerly known as Nuveen Insured Massachusetts Tax-Free Advantage Municipal Fund (NGX))
Nuveen Missouri Premium Income Municipal Fund (NOM)

Portfolio managers Michael Hamilton and Chris Drahn review economic and municipal market conditions at the national and state levels, key investment strategies, and the twelve-month performance of these eight Nuveen Funds. With 23 years of investment experience, Michael assumed portfolio management responsibility for the Connecticut and Massachusetts Funds in January 2011. Chris, who has 32 years of investment experience, took on portfolio management responsibility for NOM in January 2011.

What factors affected the U.S. economic and municipal market environments during the twelve-month reporting period ended May 31, 2012?

During this period, the U.S. economy's progress toward recovery from recession remained moderate. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by continuing to hold the benchmark Fed Funds rate at the record low level of zero to 0.25% that it had established in December 2008. At its June 2012 meeting (following the end of this reporting period), the central bank affirmed its opinion that economic conditions would likely warrant keeping the Fed Funds rate at "exceptionally low levels" through at least late 2014. The Fed also announced that it would extend its program to lengthen the average maturity of its holdings of U.S. Treasury securities by purchasing another \$267 billion of these securities (in addition to the \$400 billion originally announced in September 2011) with remaining maturities of six to thirty years and selling an equal amount of U.S. Treasury securities with maturities of three years or less. The goals of this program, which the Fed has now extended through the end of December 2012, are to lower longer-term interest rates, make broader financial conditions more accommodating, support a stronger economic recovery and help ensure that inflation remains at levels consistent with the Fed's mandates of maximum employment and price stability.

Certain statements in this report are forward-looking statements. Discussions of specific investments are for illustration only and are not intended as recommendations of individual investments. The forward-looking statements and other views expressed herein are those of the portfolio managers as of the date of this report. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements, and the views expressed herein are subject to change at any time, due to numerous market and other factors. The Funds disclaim any obligation to update publicly or revise any forward-looking statements or views expressed herein.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

In the first quarter of 2012, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 1.9%, marking eleven consecutive quarters of positive growth. The Consumer Price Index (CPI) rose 1.7% year-over-year as of May 2012, the lowest twelve-month rate of change since February 2011, while the core CPI (which excludes food and energy) increased 2.3% during the period, edging above the Fed's unofficial objective of 2.0% or lower for this inflation measure. Labor market conditions continued to be slow to improve, with national unemployment registering 8.2% in May 2012, down from 9.0% in May 2011 but a slight uptick from the 8.1% reading in April 2012. The housing market remained the major weak spot in the economy, beleaguered by a high level of distressed properties and difficult credit conditions. For the twelve months ended April 2012 (most recent data available at the time this report was prepared), the average home price in the Standard & Poor's (S&P)/Case-Shiller Index of 20 major metropolitan areas lost 1.9%, as housing prices remained at the lowest levels since early 2003, down approximately 34% from their 2006 peak. In addition, the U.S. economic picture continued to be clouded by concerns about the European debt crisis and global financial markets in general and efforts to reduce the U.S. federal deficit.

Municipal bond prices generally rallied during this period, amid strong demand and tight supply. Although the availability of tax-exempt supply improved in recent months, the pattern of new issuance remained light compared with long-term historical trends. This served as a key driver of performance, as tight supply and strong demand combined to create favorable market conditions for municipal bonds. Concurrent with rising prices, yields declined across most maturities, especially at the longer end of the municipal yield curve. The depressed level of municipal bond issuance during the first part of this period was due in part to the lingering effects of the taxable Build America Bonds (BAB) program. Even though the BAB program expired at the end of 2010, issuers had made extensive use of its favorable terms to issue almost \$190 billion in taxable BAB bonds during 2009 and 2010, representing approximately 25% of all municipal issuance during that period. Some borrowers accelerated issuance into 2010 in order to take advantage of the program before its termination, fulfilling their capital program borrowing needs well into 2011 and 2012. The low level of municipal issuance during this period also reflected the current political distaste for additional borrowing by state and local governments and the prevalent atmosphere of municipal budget austerity. In recent months, we have seen an increasing number of borrowers come to market seeking to take advantage of the current rate environment by calling existing debt and refinancing at lower rates.

Over the twelve months ended May 31, 2012, municipal bond issuance nationwide totaled \$357.4 billion, an increase of 2.7% compared with issuance during the twelvemonth period ended May 31, 2011. During this period, demand for municipal bonds remained very strong, especially from individual investors.

How were the economic and market conditions in Connecticut, Massachusetts and Missouri during this period?

Connecticut continued to make progress toward recovery from the recent recession. In 2011, the state's economy expanded at a rate of 2.0%, compared with the national average of 1.5%, ranking Connecticut ninth in the nation in terms of GDP growth by state. During the twelve-month period ended May 2012, the education and health care sectors led the state in job growth, followed by transportation, trade, professional and business services and leisure/hospitality. The state's financial sector, predominately the insurance companies based in Hartford and the securities firms and hedge funds in Bridgeport, continued to be important to Connecticut's recovery. As of May 2012, the jobless rate in Connecticut was 7.8%, down from 8.9% in May 2011 and below the national average of 8.2% for May 2012. The potential downsides for Connecticut's continued growth included lower housing affordability and higher living and energy costs. In May 2011, Connecticut enacted a biennium state budget for fiscal 2012 and 2013 that achieved balance by raising the state's income and sales tax rates and reducing expenditures, chiefly through concessions from the state's public service unions. Recent proposed adjustments to the biennium budget focused on improving state pension and education funding, addressing priorities such as early childhood education, expansion of charter and magnet schools and retention of the best teachers and principals. In January 2012, Moody's downgraded its rating on Connecticut general obligation debt to Aa3 from Aa2, citing the state's depleted reserves and high debt burden, while S&P continued to rate Connecticut GOs at AA as of May 2012. Issuance of municipal debt in Connecticut during the twelve months ended May 31, 2012, totaled \$6.1 billion, up 27% from the twelve months ended May 31, 2011.

Massachusetts has made significant strides toward recovery. In 2011, the Massachusetts economy expanded at a rate of 2.2%, compared with the national average of 1.5%, ranking Massachusetts seventh in terms of GDP growth by state. As of May 2012, the jobless rate in Massachusetts was 6.0%, its lowest reading since September 2008, down from 7.4% in May 2011. Professional and business services have been the primary driver of the commonwealth's recovery, with job growth in this sector far outpacing that in other sectors during the twelve months ended May 2012. Transportation, trade and leisure and hospitality also posted stronger gains. Government employment reached its lowest level in five years, with the majority of losses at the local level, while the current state budget proposed eliminating another 1,100 jobs. The concentration of colleges and universities continued to make Massachusetts a significant center for research and development, primarily in the Cambridge area, which has one of the highest concentrations of high-tech jobs in the nation. Improvements in the Massachusetts job market have translated to signs of improvement in its housing market, as single-family housing starts reached their highest level in almost two years. According to the S&P/Case-Shiller Index of 20 major metropolitan areas, housing prices in Boston rose 0.1% during the twelve months ended April 2012 (most recent date available at the time this report was prepared), compared with a decline of 1.9% nationally. On the fiscal front, the proposed \$32.5 billion Massachusetts budget for fiscal 2013, which was introduced in January 2012, focused on promoting job growth, closing the achievement gap in schools, lowering health care

costs and ending youth violence by supporting positive youth development. As of May 2012, Moody's continued to rate Massachusetts general obligation (GO) debt at Aa1. In September 2011, S&P raised its rating on Massachusetts GO to AA+ from AA, citing the commonwealth's progress in improving financial, debt and budget management practices. For the twelve months ended May 31, 2012, new municipal supply in Massachusetts totaled \$8.6 billion, a decrease of 15% from the previous twelve months.

For 2011, Missouri's economic growth remained essentially flat, while the national economy expanded at a rate of 1.5%. This ranked Missouri 43rd in terms of GDP growth by state. Job losses were spread across a number of sectors, including information services, construction, financial services and transportation. Missouri's unemployment rate as of May 2012 was 7.3%, its lowest level since December 2008, down from 8.6% in May 2011 and below the national average of 8.2% for May 2012. Missouri has focused efforts on transitioning part of the state economy away from traditional manufacturing jobs into the development of biotechnology and alternative energy industries. Trade with China also has provided new opportunities. Although export growth fell in 2011, a recent agreement with emphasis on agricultural exports to China improved the outlook for food manufacturers, which accounted for 10% of the state's \$14 billion in exports. For fiscal 2013, the \$24 billion Missouri state budget, which was introduced in January 2012, focused on job creation, K-12 education funding, disaster recovery funding and continued efforts to streamline the state government, while making cuts to Medicaid and higher education. The budget, which contained no new taxes, also called for eliminating more than 800 additional state jobs, bringing total reductions to 4,100 over the past four years and resulting in the smallest state workforce since 1997. As of May 2012, Moody's and S&P rated Missouri general obligation debt at Aaa and AAA, respectively, with stable outlooks. During the twelve months ended May 31, 2012, municipal issuance in Missouri totaled \$4.7 million, on par with the issuance of the previous twelve-month period.

What key strategies were used to manage these Funds during this period?

As previously discussed, municipal bond prices generally rallied during this period in an environment of strong demand. In this environment, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term and helped us keep the Funds fully invested.

During this period, the Connecticut Funds found value in several areas of the market, including charter schools, electric utilities, and health care, where we increased our exposure in all four Funds. During times when Connecticut municipal bonds were in shorter supply, we took advantage of our ability to invest a portion of the Funds' net assets in non-Connecticut credits to keep the Funds fully invested, adding territorial paper from the Virgin Islands and Puerto Rico. Our purchase of territorial bonds also benefited the Funds through higher yields, added diversification and triple exemption (i.e., exemption from federal, state and local taxes).

Among the Massachusetts Funds, NMT and NMB added to their health care holdings during this period. For NGX, the Fund's insured mandate and the continued severe decline in insured issuance meant that finding appropriate insured municipal bonds,

especially new insured issues, remained a challenge. Over the past few years, most municipal bond insurers had their credit ratings downgraded, and only one insurer currently insures new municipal bonds. As a result, the supply of insured municipal securities decreased dramatically. In 2011, new insured paper accounted for only about 5% of total municipal issuance, compared with historical levels approaching 50%, while during the first five months of 2012, insured issuance totaled less than \$6 billion, or about 4%. Although NGX's investment policy allowed the Fund to invest up to 20% of its net assets in uninsured investment-grade credits rated BBB- or higher, the Fund was already close to this limit coming into the period. This, plus the combination of comparatively light municipal supply, little insured issuance and relatively lower yields, meant few attractive buying opportunities for NGX. During this period, we focused on reinvesting the proceeds from matured and called bonds in order to keep NGX as fully invested as possible, purchasing insured territorial paper such as revenue bonds issued by Guam Power Authority. One of the consequences of the insured supply situation was that, even with these efforts, NGX's duration continued to drift lower.

In view of this ongoing situation, in October 2011, NGX's Board of Trustees approved changes to the Fund's investment policy regarding insured municipal securities. On May 15, 2012, following shareholder approval, the Fund eliminated the policy requiring it to invest at least 80% of its managed assets in municipal securities covered by insurance. This change was designed to provide more flexibility regarding the types of securities available for investment. This does not represent a change in investment objectives; NGX will continue to invest substantially all of its assets in a portfolio of investment-grade quality municipal securities. Following the changes to NGX's investment policy, we focused on bonds that would extend the Fund's duration and begin to move it back into its target range by adding uninsured bonds with longer maturities, particularly those issued by Puerto Rico and Guam.

In NOM, we purchased Kansas City water revenue bonds, as well as debt issued for the Missouri Joint Municipal Electric Utility Commission for the MoPEP (Missouri Public Energy Pool) project. NOM also bought tax-exempt territorial bonds, where we focused on higher-rated issues such as Aa2/AA- sales tax revenue bonds issued by the Puerto Rico Sales Tax Financing Corporation. During the first half of the period, NOM also added higher education, health care and continuing care retirement community credits. More than half of NOM's purchases during the year were made in the A rated credit quality category, while the remaining additions to our portfolio were purchased across the credit spectrum.

Cash for new purchases during this period was generated primarily by the proceeds from a number of bond calls, which we worked to redeploy to keep the Funds as fully invested as possible. The Connecticut Funds also sold pre-refunded bonds with short maturities, as well as some out-of-state paper. The non-Connecticut holdings were sold at a premium at the end of 2011 to provide cash to finance purchases at a time when bond calls were less numerous. In addition, NMT took advantage of opportunities early in the period to sell some high-quality bonds with short call dates at attractive prices. These sales enabled us to extend the Fund's duration by reinvesting the proceeds from these shorter bonds into bonds with longer maturities. Overall, selling was relatively

minimal because the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of May 31, 2012, all of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement. During this period, we terminated some inverse floater positions in NMT and NMB. We accomplished this by using cash proceeds from bond calls to buy back the inverse floaters, terminate the trusts that held the securities and place the bonds involved back on the Funds' Statement of Assets & Liabilities.

How did the Funds perform during the twelve-month period ended May 31, 2012?

Individual results for these Nuveen Funds, as well as relevant index and peer group information, are presented in the accompanying table.

Average Annual Total Returns on Common Share Net Asset Value
For periods ended 5/31/12

	1-Year	5-Year	10-Year
Connecticut Funds			
NTC	13.45%	6.39%	6.13%
NFC	14.92%	6.77%	6.63%
NGK	13.61%	6.45%	6.50%
NGO	13.56%	6.16%	N/A
Standard & Poor's (S&P) Connecticut Municipal Bond Index*	7.35%	5.07%	4.81%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%
Massachusetts Funds			
NMT	15.29%	6.70%	6.30%
NMB	15.45%	6.18%	6.76%
Standard & Poor's (S&P) Massachusetts Municipal Bond Index*	9.42%	5.99%	5.56%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%
Insured Massachusetts Fund**			
NGX	8.82%	5.60%	N/A
Standard & Poor's (S&P) Massachusetts Municipal Bond Index*	9.42%	5.99%	5.56%
Standard & Poor's (S&P) National Insured Municipal Bond Index*	11.44%	5.64%	5.52%
Lipper Single State Insured Municipal Debt Funds Classification Average*	18.66%	6.44%	6.07%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%

Past performance is not predictive of future results. Current performance may be higher or lower than the data shown. Returns do not reflect the deduction of taxes that shareholders may have to pay on Fund distributions or upon the sale of Fund shares.

For additional information, see the individual Performance Overview for your Fund in this report.

- * Refer to Glossary of Terms Used in this Report for definitions. Indexes and Lipper averages are not available for direct investment.
- ** Effective May 15, 2012, NGX eliminated the investment policy that required the Fund to invest at least 80% of its managed assets in insured securities.

10 Nuveen Investments

Average Annual Total Returns on Common Share Net Asset Value (continued)

For periods ended 5/31/12

	1-Year	5-Year	10-Year
Missouri Fund			
NOM	17.16%	6.19%	6.02%
Standard & Poor's (S&P) Missouri Municipal Bond Index*	10.52%	5.60%	5.55%
Standard & Poor's (S&P) National Municipal Bond Index*	10.77%	5.54%	5.44%
Lipper Other States Municipal Debt Funds Classification Average*	16.15%	6.27%	6.53%

For the twelve months ended May 31, 2012, the total returns on common share net asset value (NAV) for all of these Funds (except NGX) exceeded the returns for their respective state's S&P Municipal Bond Index, as well as the S&P National Municipal Bond Index. NOM also outperformed the average return for the Lipper Other States Municipal Debt Funds Classification, while the remaining Funds trailed this Lipper average.

Shareholders should note that the performance of the Lipper Other States classification represents the overall average of returns for funds from ten different states with a wide variety of municipal market conditions. For the same period, NGX underperformed the S&P Massachusetts, national and insured indexes and the relevant Lipper averages.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. The use of regulatory leverage also was an important positive factor affecting the Funds' performance. Leverage is discussed in more detail later in this report.

The Funds' duration, or interest rate positioning, provided meaningful positive impact on performance. As interest rates fell throughout the year, it was advantageous for the Funds' portfolios to have a relatively long duration, in other words, to be more sensitive to the beneficial effects of declining rates.

During this period, municipal bonds with longer maturities generally outperformed those with shorter maturities. Overall, credits at the longest end of the municipal yield curve posted the strongest returns, while bonds at the shortest end produced the weakest results. Zero coupon bonds, which generally outperformed during this period due to their longer durations, were among the top contributors to the Funds' performance. Overall, duration and yield curve positioning were positive contributors to the performance of all of these Funds. NFC, NMT, NMB and NOM were the most advantageously positioned, with stronger exposure to the longer parts of the yield curve that performed best during this period. All of the Funds (except NGX) also benefited from being underweight in the underperforming short end of the curve. As previously mentioned, the duration of NGX had shortened over the last several years as bonds matured or were called from its portfolio and the lack of insured issuance hampered our ability to replace these bonds with credits having longer maturities. NGX's greater exposure to the shorter end of the yield curve was the major factor in its underperformance during this period. Overall, variations in duration and yield curve positioning among the Funds accounted for a significant amount of the differences in performance.

Credit exposure was also an important factor in the Funds' performance during these twelve months, as lower quality bonds generally outperformed higher quality bonds. This outperformance was due in part to the greater demand for lower rated bonds as

investors looked for investment vehicles offering higher yields. As investors became more comfortable taking on additional investment risk, credit spreads or the difference in yield spreads between U.S. Treasury securities and comparable investments such as municipal bonds, narrowed through a variety of rating categories. As a result of this spread compression, the performance of these Funds benefited from their holdings in the lower rated credit spectrum. Among these eight Funds, NOM had the largest allocation of bonds rated BBB and the smallest weighting in AAA bonds. Credit exposure was also a major contributor to the performance of NGO, which had the heaviest weighting in BBB bonds among the Connecticut Funds.

Holdings that generally made positive contributions to the Funds' returns during this period included health care (including hospitals), transportation, education and water and sewer credits. All of these Funds (except NGX), in particular NFC, NGK and NOM benefited from strong weightings in the health care sector. While the Connecticut and Massachusetts Funds were underweight in the transportation sector, NOM was overweight in airports, which was a modest contributor to its performance. The Connecticut Funds also were helped by their overweighting in education bonds. Tobacco credits backed by the 1998 master tobacco settlement agreement also performed well, as these bonds benefited from several market developments, including increased demand for higher yielding investments by investors who had become less risk averse. In addition, based on recent data showing that cigarette sales had fallen less steeply than anticipated, the states and territories participating in the agreement, including Connecticut and Puerto Rico, stand to receive increased payments from the tobacco companies. As of May 31, 2012, NTC, NGK and NGO held lower rated tobacco bonds issued by Puerto Rico, with NGO having the largest exposure.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, were the poorest performing market segment during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. As of May 31, 2012, NGK, NGO, NMT and especially NGX had the heaviest weightings of pre-refunded bonds, which detracted from their performance, while NMB held the fewest pre-refunded bonds. General obligation (GO) bonds and public power and housing credits also lagged the performance of the general municipal market for this period. These Funds generally tended to be underweight in the GO sector, which limited the impact of these holdings. This was particularly true in NMT and NMB, which were underweight in both state and local GOs. Conversely, the Connecticut and Massachusetts Funds were overweight in housing bonds, which underperformed in an environment of declining interest rates and a rallying bond market.

APPROVED FUND REORGANIZATIONS

On May 14, 2012, Shareholders approved a series of reorganizations for all the Connecticut Funds included in this report. The reorganizations are intended to create a single larger state Fund, which would potentially offer shareholders the following benefits:

- Lower Fund expense ratios (excluding the effects of leverage), as fixed costs are spread over a larger asset base;
- Enhanced secondary market trading, as larger Funds potentially make it easier for investors to buy and sell fund shares;

- Lower per share trading costs through reduced bid/ask spreads due to a larger common share float; and
- Increased Fund flexibility in managing the structure and cost of leverage over time.

The approved reorganizations are as follows:

Acquired Funds	Symbol	Acquiring Fund	Symbol
Nuveen Connecticut Dividend Advantage Municipal Fund	NFC		
Nuveen Connecticut Dividend Advantage Municipal Fund 2	NGK	Nuveen Connecticut Premium Income Municipal Fund	NTC
Nuveen Connecticut Dividend Advantage Municipal Fund 3	NGO		

The reorganizations were consummated prior to the opening of business on July 9, 2012 (following the end of this reporting period). Upon the closing of the reorganizations, the Acquired Funds transferred their assets to the Acquiring Fund in exchange for common and preferred shares of the Acquiring Fund, and the assumption by the Acquiring Fund of the liabilities of the Acquired Funds. The Acquired Funds were liquidated, dissolved and terminated in accordance with their Declaration of Trust. Shareholders of the Acquired Funds became shareholders of the Acquiring Fund. Holders of common shares received newly issued common shares of the Acquiring Fund, the aggregate net asset value of which was equal to the aggregate net asset value of the common shares of their Acquired Funds held immediately prior to the reorganizations (including for this purpose fractional Acquiring Fund shares to which shareholders would be entitled). Fractional shares were sold on the open market and shareholders received cash in lieu of such fractional shares. Holders of MuniFund Term Preferred (MTP) Shares of each Acquired Fund received on a one-for-one basis newly issued MTP Shares of the Acquiring Fund, in exchange for MTP Shares of their Acquired Fund held immediately prior to the reorganization.

FUND POLICY CHANGES

On October 28, 2011, NGX's Board of Trustees approved changes to the Fund's investment policy regarding its investment in insured municipal securities. These changes were designed to provide the Adviser with more flexibility regarding the types of securities available for investment by the Fund.

Effective May 15, 2012, the Fund eliminated the investment policy requiring it, under normal circumstances, to invest at least 80% of its managed assets in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. Over the past few years, most municipal bond insurers have had their credit ratings downgraded and only one insurer is currently insuring new municipal bonds. As a result, the supply of insured municipal securities has decreased dramatically and the long-term viability of the municipal bond insurance market is uncertain. The Fund has not changed its investment objective and will continue to invest substantially all of its assets in a portfolio of investment grade quality municipal securities.

Concurrent with the investment policy changes, the Fund changed its name from Nuveen Insured Massachusetts Tax-Free Advantage Municipal Fund (NGX) to Nuveen Massachusetts AMT-Free Municipal Income Fund (NGX).

Fund Leverage and
Other Information

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of all these Funds relative to the comparative indexes was the Funds' use of leverage. The Funds use leverage because their managers believe that, over time, leveraging provides opportunities for additional income and total return for common shareholders. However, use of leverage also can expose common shareholders to additional volatility. For example, as the prices of securities held by a fund decline, the negative impact of these valuation changes on common share net asset value and common shareholder total return is magnified by the use of leverage. Conversely, leverage may enhance common share returns during periods when the prices of securities held by a fund generally are rising. Leverage made a positive contribution to the performance of these Funds over this reporting period.

THE FUNDS' REGULATORY LEVERAGE

As of May 31, 2012, each of the Funds have issued and outstanding MTP Shares, as shown in the accompanying table.

Fund	Series	MTP Shares Issued At Liquidation Value	Annual Interest Rate	NYSE Ticker
NTC	2015	\$18,300,000	2.65%	NTC Pr C
NTC	2016	\$17,780,000	2.55%	NTC Pr D
NFC	2015	\$20,470,000	2.60%	NFC Pr C
NGK	2015	\$16,950,000	2.60%	NGK Pr C
NGO	2015	\$32,000,000	2.65%	NGO Pr C
NMT	2015	\$20,210,000	2.65%	NMT Pr C
NMT	2016	\$16,435,000	2.75%	NMT Pr D
NMB	2015	\$14,725,000	2.60%	NMB Pr C
NGX	2015	\$22,075,000	2.65%	NGX Pr C
NOM	2015	\$17,880,000	2.10%	NOM Pr C

(Refer to Notes to Financial Statements, Footnote 1 – General Information and Significant Accounting Policies and Footnote 4 – Fund Shares for further details on MTP Shares.)

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks and are listed below in order of priority:

Investment and Market Risk. An investment in common shares is subject to investment risk, including the possible loss of the entire principal amount that you invest. Your investment in common shares represents an indirect investment in the municipal securities owned by the Fund, which generally trade in the over-the-counter markets. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Price Risk. Shares of closed-end investment companies like these Funds frequently trade at a discount to their NAV. Your common shares at any point in time may be worth less than your original investment, even after taking into account the reinvestment of Fund dividends and distributions.

Leverage Risk. Each Fund's use of leverage creates the possibility of higher volatility for the Fund's per share NAV, market price, distributions and returns. There is no assurance that a Fund's leveraging strategy will be successful.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.

Inverse Floater Risk. The Funds may invest in inverse floaters. Due to their leveraged nature, these investments can greatly increase a Fund's exposure to interest rate risk and credit risk. In addition, investments in inverse floaters involve the risk that the Fund could lose more than its original principal investment.

Common Share Dividend
and Price Information

DIVIDEND INFORMATION

During the twelve-month reporting period ended May 31, 2012, the monthly dividends of NTC and NOM remained stable, while the dividends of NGO and NMT were reduced once during the period. NFC and NGK each received two cuts in their monthly dividends, while the dividends of NMB and NGX were reduced three times during this period.

Due to normal portfolio activity, common shareholders of the following Funds received long-term capital gains distributions in December 2011 as follows:

Fund	Long-Term Capital Gains (per share)	
NTC	\$	0.0420
NFC	\$	0.0427
NGK	\$	0.0328
NMT	\$	0.0511

All of these Funds seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate that may be more or less than the amount of net investment income actually earned by the Fund during the period. If a Fund has cumulatively earned more than it has paid in dividends, it holds the excess in reserve as undistributed net investment income (UNII) as part of the Fund's NAV. Conversely, if a Fund has cumulatively paid dividends in excess of its earnings, the excess constitutes negative UNII that is likewise reflected in the Fund's NAV. Each Fund will, over time, pay all of its net investment income as dividends to shareholders. As of May 31, 2012, NTC, NFC, NGK, NGO, NMT, NMB and NOM had positive UNII balances for both tax and financial reporting purposes. NGX had positive UNII balances for tax purposes and negative UNII balances for financial reporting purposes.

COMMON SHARE REPURCHASES AND PRICE INFORMATION

Since the inception of the Fund's repurchase programs, the Funds have not repurchased any of their outstanding common shares.

As of May 31, 2012, and during the twelve-month reporting period, the Funds' common share prices were trading at (+) premiums or (-) discounts to their common share NAVs as shown in the accompanying table.

Fund	5/31/12 (+) Premium/(-) Discount	Twelve-Month Average (+) Premium/(-) Discount
NTC	(-) 7.50%	(-) 6.68%
NFC	(-) 7.29%	(-) 4.09%
NGK	(-) 6.68%	(-) 2.83%
NGO	(-) 7.02%	(-) 7.98%
NMT	(-) 2.14%	(-) 3.89%
NMB	(-) 4.44%	(-) 5.49%
NGX	(+)3.29%	(-) 4.53%
NOM	(+)15.60%	(+) 11.98%

Nuveen Investments 17

NTC Nuveen Connecticut
 Performance Premium Income
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.19
Common Share Net Asset Value (NAV)	\$	15.34
Premium/(Discount) to NAV		-7.50%
Market Yield		4.99%
Taxable-Equivalent Yield ¹		7.37%
Net Assets Applicable to Common Shares (\$000)	\$	82,318

Leverage

Regulatory Leverage	30.47%
Effective Leverage	34.86%

Average Annual Total Return
(Inception 5/20/93)

	On Share Price	On NAV
1-Year	13.59%	13.45%
5-Year	4.27%	6.39%
10-Year	4.22%	6.13%

Portfolio Composition⁴

(as a % of total investments)

Education and Civic Organizations	25.3%
Health Care	16.8%
Tax Obligation/General	13.9%
Tax Obligation/Limited	12.4%
U.S. Guaranteed	9.0%
Water and Sewer	7.8%
Utilities	5.9%
Housing/Single Family	5.3%
Other	3.6%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

- 3 The Fund paid shareholders a capital gains distribution in December 2011 of \$0.0420 per share.
- 4 Holdings are subject to change.

18 Nuveen Investments

NFC Nuveen Connecticut
 Performance Dividend Advantage
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.62
Common Share Net Asset Value (NAV)	\$	15.77
Premium/(Discount) to NAV		-7.29%
Market Yield		4.84%
Taxable-Equivalent Yield ¹		7.15%
Net Assets Applicable to Common Shares (\$000)	\$	40,785

Leverage

Regulatory Leverage	33.42%
Effective Leverage	37.33%

Average Annual Total Return
(Inception 1/26/01)

	On Share Price	On NAV
1-Year	11.31%	14.92%
5-Year	3.16%	6.77%
10-Year	4.66%	6.63%

Portfolio Composition⁴

(as a % of total investments)

Education and Civic Organizations	24.3%
Health Care	22.2%
Tax Obligation/Limited	17.6%
Tax Obligation/General	10.5%
Water and Sewer	7.9%
U.S. Guaranteed	6.0%
Utilities	5.3%
Other	6.2%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 The Fund paid shareholders a capital gains distribution in December 2011 of \$0.0427 per share.

4 Holdings are subject to change.

Nuveen Investments 19

NGK Nuveen Connecticut
 Performance Dividend Advantage
 OVERVIEW Municipal Fund 2

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.52
Common Share Net Asset Value (NAV)	\$	15.56
Premium/(Discount) to NAV		-6.68%
Market Yield		5.04%
Taxable-Equivalent Yield ¹		7.44%
Net Assets Applicable to Common Shares (\$000)	\$	36,121

Leverage

Regulatory Leverage	31.94%
Effective Leverage	36.10%

Average Annual Total Return
(Inception 3/25/02)

	On Share Price	On NAV
1-Year	9.73%	13.61%
5-Year	3.08%	6.45%
10-Year	5.34%	6.50%

Portfolio Composition⁴

(as a % of total investments)

Education and Civic Organizations	22.7%
Health Care	20.8%
U.S. Guaranteed	12.6%
Tax Obligation/Limited	10.8%
Tax Obligation/General	7.4%
Utilities	6.5%
Water and Sewer	6.4%
Other	12.8%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

- 3 The Fund paid shareholders a capital gains distribution in December 2011 of \$0.0328 per share.
- 4 Holdings are subject to change.

20 Nuveen Investments

NGO
Performance
OVERVIEW

Nuveen Connecticut
Dividend Advantage
Municipal Fund 3

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.17
Common Share Net Asset Value (NAV)	\$	15.24
Premium/(Discount) to NAV		-7.02%
Market Yield		4.87%
Taxable-Equivalent Yield ¹		7.19%
Net Assets Applicable to Common Shares (\$000)	\$	66,542

Leverage

Regulatory Leverage	32.47%
Effective Leverage	36.21%

Average Annual Total Return
(Inception 9/26/02)

	On Share Price	On NAV
1-Year	15.68%	13.56%
5-Year	4.30%	6.16%
Since Inception	4.50%	5.63%

Portfolio Composition³

(as a % of total investments)

Education and Civic Organizations	21.1%
Health Care	18.7%
U.S. Guaranteed	13.8%
Tax Obligation/Limited	11.0%
Water and Sewer	9.9%
Tax Obligation/General	6.3%
Long-Term Care	5.9%
Utilities	5.5%
Housing/Single Family	7.8%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

3 Holdings are subject to change.

Nuveen Investments 21

NMT Nuveen Massachusetts
 Performance Premium Income
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	15.12
Common Share Net Asset Value (NAV)	\$	15.45
Premium/(Discount) to NAV		-2.14%
Market Yield		4.92%
Taxable-Equivalent Yield ¹		7.21%
Net Assets Applicable to Common Shares (\$000)	\$	73,758

Leverage

Regulatory Leverage	33.19%
Effective Leverage	35.22%

Average Annual Total Return
(Inception 3/18/93)

	On Share Price	On NAV
1-Year	17.78%	15.29%
5-Year	6.83%	6.70%
10-Year	5.21%	6.30%

Portfolio Composition⁴

(as a % of total investments)

Education and Civic Organizations	22.6%
Health Care	17.8%
Tax Obligation/General	12.6%
U.S. Guaranteed	10.8%
Tax Obligation/Limited	8.3%
Transportation	7.7%
Water and Sewer	5.2%
Other	15.0%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.8%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.

- 3 The Fund paid shareholders a capital gains distributions in December 2011 of \$0.0511 per share.
- 4 Holdings are subject to change.

22 Nuveen Investments

NMB Nuveen Massachusetts
 Performance Dividend Advantage
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	14.64
Common Share Net Asset Value (NAV)	\$	15.32
Premium/(Discount) to NAV		-4.44%
Market Yield		4.67%
Taxable-Equivalent Yield ¹		6.85%
Net Assets Applicable to Common Shares (\$000)	\$	30,124

Leverage

Regulatory Leverage	32.83%
Effective Leverage	35.12%

Average Annual Total Return
(Inception 1/30/01)

	On Share Price	On NAV
1-Year	14.21%	15.45%
5-Year	3.42%	6.18%
10-Year	4.91%	6.76%

Portfolio Composition³

(as a % of total investments)

Education and Civic Organizations	31.3%
Health Care	19.9%
Tax Obligation/General	10.4%
Tax Obligation/Limited	7.2%
Long-Term Care	5.7%
U.S. Guaranteed	5.6%
Housing/Multifamily	4.8%
Water and Sewer	4.2%
Other	10.9%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.8%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

- 3 Holdings are subject to change.

NGX Nuveen Massachusetts
 Performance AMT-Free Municipal
 OVERVIEW Income Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	15.39
Common Share Net Asset Value (NAV)	\$	14.90
Premium/(Discount) to NAV		3.29%
Market Yield		4.25%
Taxable-Equivalent Yield ¹		6.23%
Net Assets Applicable to Common Shares (\$000)	\$	40,630

Leverage

Regulatory Leverage	35.20%
Effective Leverage	35.55%

Average Annual Total Return
 (Inception 11/21/02)

	On Share Price	On NAV
1-Year	18.74%	8.82%
5-Year	6.46%	5.60%
Since Inception	5.40%	5.59%

Portfolio Composition³

(as a % of total investments)

U.S. Guaranteed	21.0%
Education and Civic Organizations	18.3%
Water and Sewer	11.1%
Tax Obligation/General	10.3%
Health Care	9.3%
Tax Obligation/Limited	8.7%
Housing/Multifamily	7.3%
Other	14.0%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 31.8%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a national rating agency.
- 3 Holdings are subject to change.

24 Nuveen Investments

NOM Nuveen Missouri
 Performance Premium Income
 OVERVIEW Municipal Fund

as of May 31, 2012

Fund Snapshot

Common Share Price	\$	16.90
Common Share Net Asset Value (NAV)	\$	14.62
Premium/(Discount) to NAV		15.60%
Market Yield		4.62%
Taxable-Equivalent Yield ¹		6.82%
Net Assets Applicable to Common Shares (\$000)	\$	33,979

Leverage

Regulatory Leverage	34.48%
Effective Leverage	37.17%

Average Annual Total Return
(Inception 5/20/93)

	On Share Price	On NAV
1-Year	28.21%	17.16%
5-Year	5.84%	6.19%
10-Year	6.31%	6.02%

Portfolio Composition³

(as a % of total investments)

Health Care	21.4%
Tax Obligation/Limited	16.3%
Tax Obligation/General	11.2%
Transportation	10.2%
Water and Sewer	9.8%
U.S. Guaranteed	9.0%
Long-Term Care	6.7%
Education and Civic Organizations	5.7%
Other	9.7%

Refer to the Glossary of Terms used in this Report for further definition of the terms used within this Fund's Performance Overview page.

- 1 Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a combined federal and state income tax rate of 32.3%. When comparing this Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.
- 2 Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's Group, Moody's Investors Service, Inc. or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below-investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by a

national rating agency.

3 Holdings are subject to change.

Nuveen Investments 25

NTC Shareholder Meeting Report

NFC

NGK

The annual meeting of shareholders for NTC, NFC, NGK and NGO was held in the offices of Nuveen Investments on December 16, 2011; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies, the approval of new Fundamental Investment Policies, the approval of the issuance of additional common shares and the approval of an Agreement and Plan of Reorganization. The meeting was subsequently adjourned to January 31, 2012. The meeting for NTC, NGK and NGO was additionally adjourned to March 5, 2012, April 13, 2012 and May 14, 2012, respectively.

The annual meeting of shareholders for NMT, NMB and NOM was held in the offices of Nuveen Investments on November 15, 2011; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting was subsequently adjourned to December 16, 2011. The meeting for NMT and NOM was additionally adjourned to January 31, 2012. NMT was additionally adjourned to March 5, 2012 and March 14, 2012, respectively.

The annual meeting of shareholders for NGX was held in the offices of Nuveen Investments on December 16, 2011; at this meeting the shareholders were asked to vote on the election of Board Members, the elimination of Fundamental Investment Policies and the approval of new Fundamental Investment Policies. The meeting was subsequently adjourned to January 31, 2012, March 5, 2012, April 13, 2012 and May 14, 2012, respectively.

	NTC		NFC		NGK	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	4,994,950	1,867,888	2,563,785	1,058,821	2,311,221	898,941
Against	242,743	74,700	123,756	51,300	70,611	25,680
Abstain	197,185	64,800	78,689	14,254	70,790	5,991
Broker Non-Vote	1,189,491	417,559	690,878	343,877	708,057	422,330
Total	6,624,369	2,424,947	3,457,108	1,468,252	3,160,679	1,352,942
To approve the issuance of additional common shares.						
For	4,443,784	—	—	—	—	—
Against	287,143	—	—	—	—	—
Abstain	187,481	—	—	—	—	—
Broker Non-Vote	1,260,095	—	—	—	—	—
Total	6,178,503	—	—	—	—	—

To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.

For	4,868,626	1,788,388	2,528,451	1,053,821	2,091,285	701,241
Against	316,864	109,200	159,449	56,300	110,847	49,680
Abstain	249,388	109,800	78,330	14,254	250,490	179,691
Broker Non-Votes	1,189,491	417,559	690,878	343,877	708,057	422,330
Total	6,624,369	2,424,947	3,457,108	1,468,252	3,160,679	1,352,942

To approve the new fundamental policy relating to the Fund's ability to make loans.

For	4,850,442	1,785,388	2,527,235	1,053,821	2,090,685	702,241
Against	332,682	107,200	159,549	56,300	110,147	48,680
Abstain	251,754	114,800	79,446	14,254	251,790	179,691
Broker Non-Votes	1,189,491	417,559	690,878	343,877	708,057	422,330
Total	6,624,369	2,424,947	3,457,108	1,468,252	3,160,679	1,352,942

To approve the elimination of the existing fundamental investment policy related to the Fund's investment of at least 80% of its assets in insured municipal securities

For	—	—	—	—	—	—
Against	—	—	—	—	—	—
Abstain	—	—	—	—	—	—
Broker Non-Votes	—	—	—	—	—	—
Total	—	—	—	—	—	—

	NTC		NFC		NGK	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve a new fundamental investment policy related to the Fund's investment of at least 80% of its assets in municipal securities.						
For	—	—	—	—	—	—
Against	—	—	—	—	—	—
Abstain	—	—	—	—	—	—
Broker Non-Votes	—	—	—	—	—	—
Total	—	—	—	—	—	—
Approval of the Board Members was reached as follows:						
John P. Amboian						
For	5,856,513	—	3,325,294	—	2,797,068	—
Withhold	321,990	—	131,814	—	133,011	—
Total	6,178,503	—	3,457,108	—	2,930,079	—
William C. Hunter						
For	—	1,884,768	—	1,453,212	—	1,110,561
Withhold	—	101,774	—	15,040	—	14,081
Total	—	1,986,542	—	1,468,252	—	1,124,642
David J. Kundert						
For	5,853,468	—	3,326,514	—	2,797,068	—
Withhold	325,035	—	130,594	—	133,011	—
Total	6,178,503	—	3,457,108	—	2,930,079	—
William J. Schneider						
For	—	1,884,768	—	1,453,212	—	1,110,561
Withhold	—	101,774	—	15,040	—	14,081
Total	—	1,986,542	—	1,468,252	—	1,124,642
Terence J. Toth						
For	5,857,051	—	3,326,514	—	2,797,068	—
Withhold	321,452	—	130,594	—	133,011	—
Total	6,178,503	—	3,457,108	—	2,930,079	—

NGO
NMT
NMB

Shareholder Meeting Report (continued)

	NGO		NMT		NMB	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.						
For	4,119,241	1,706,072	—	—	—	—
Against	151,305	52,812	—	—	—	—
Abstain	121,176	16,789				
Broker Non-Vote	1,000,830	384,253	—	—	—	—
Total	5,392,552	2,159,926	—	—	—	—
To approve the issuance of additional common shares.						
For	—	—	—	—	—	—
Against	—	—	—	—	—	—
Abstain	—	—	—	—	—	—
Broker Non-Vote	—	—	—	—	—	—
Total	—	—	—	—	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.						
For	3,669,375	1,349,750	3,826,318	1,354,400	1,458,449	600,738
Against	177,267	48,212	422,056	236,159	62,252	25,894
Abstain	143,949	28,389	159,154	54,323	58,887	2,500
Broker Non-Votes	1,108,725	484,353	1,020,325	448,547	506,315	218,867
Total	5,099,316	1,910,704	5,427,853	2,093,429	2,085,903	847,999
To approve the new fundamental policy relating to the Fund's ability to make loans.						
For	3,680,173	1,351,750	3,825,822	1,356,900	1,451,984	600,738
Against	183,809	52,812	414,888	228,659	66,717	25,894
Abstain	126,609	21,789	166,818	59,323	60,887	2,500
Broker Non-Votes	1,108,725	484,353	1,020,325	448,547	506,315	218,867

Total	5,099,316	1,910,704	5,427,853	2,093,429	2,085,903	847,999
To approve the elimination of the existing fundamental investment policy related to the Fund's investment of at least 80% of its assets in insured municipal securities						
For	—	—	—	—	—	—
Against	—	—	—	—	—	—
Abstain	—	—	—	—	—	—
Broker Non-Votes	—	—	—	—	—	—
Total	—	—	—	—	—	—

28 Nuveen Investments

	NGO		NMT		NMB	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve a new fundamental investment policy related to the Fund's investment of at least 80% of its assets in municipal securities.						
For	—	—	—	—	—	—
Against	—	—	—	—	—	—
Abstain	—	—	—	—	—	—
Broker Non-Votes	—	—	—	—	—	—
Total	—	—	—	—	—	—
Approval of the Board Members was reached as follows:						
John P. Amboian						
For	4,871,040	—	4,812,556	—	2,030,894	—
Withhold	228,276	—	269,322	—	55,009	—
Total	5,099,316	—	5,081,878	—	2,085,903	—
William C. Hunter						
For	—	1,857,582	—	1,766,069	—	826,299
Withhold	—	53,122	—	137,761	—	21,700
Total	—	1,910,704	—	1,903,830	—	847,999
David J. Kundert						
For	4,871,040	—	4,806,056	—	2,030,894	—
Withhold	228,276	—	275,822	—	55,009	—
Total	5,099,316	—	5,081,878	—	2,085,903	—
William J. Schneider						
For	—	1,857,582	—	1,761,069	—	826,299
Withhold	—	53,122	—	142,761	—	21,700
Total	—	1,910,704	—	1,903,830	—	847,999
Terence J. Toth						
For	4,871,040	—	4,811,556	—	2,030,894	—
Withhold	228,276	—	270,322	—	55,009	—
Total	5,099,316	—	5,081,878	—	2,085,903	—

Shareholder Meeting Report (continued)

NGX NOM	NGX		NOM	
	Common and Preferred shares voting together as a class	Preferred shares voting together as a class	Common and Preferred shares voting together as a class	Preferred shares voting together as a class
To approve the Agreement and Plan of Reorganization.				
For	—	—	—	—
Against	—	—	—	—
Abstain	—	—	—	—
Broker Non-Vote	—	—	—	—
Total	—	—	—	—
To approve the issuance of additional common shares.				
For	—	—	—	—
Against	—	—	—	—
Abstain	—	—	—	—
Broker Non-Vote	—	—	—	—
Total	—	—	—	—
To approve the elimination of the fundamental policies relating to the Fund's ability to make loans.				
For	2,308,141	792,746	1,759,755	723,854
Against	189,910	75,889	139,800	61,767
Abstain	65,137	24,100	37,853	12,500
Broker Non-Votes	622,700	274,139	297,042	99,839
Total	3,185,888	1,166,874	2,234,450	897,960
To approve the new fundamental policy relating to the Fund's ability to make loans.				
For	2,303,959	792,746	1,740,623	708,554
Against	186,158	75,889	150,439	67,267
Abstain	73,071	24,100	46,346	22,300
Broker Non-Votes	622,700	274,139	297,042	99,839
Total	3,185,888	1,166,874	2,234,450	897,960
To approve the elimination of the existing fundamental investment policy related to the Fund's investment of at least 80% of its assets in insured municipal securities				
For	2,296,228	784,396	—	—
Against	197,941	78,389	—	—
Abstain	—	—	—	—