

NUVEEN PREMIUM INCOME MUNICIPAL FUND INC
Form DEF 14A
June 18, 2010

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

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

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

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

Nuveen Premium Income Municipal Fund, Inc. (NPI)

(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.
 - 1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

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

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

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

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

Important Notice to Fund Shareholders

June 21, 2010

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

Q. Why am I receiving this Proxy Statement?

- A. You are receiving this Proxy Statement as a Fund shareholder in connection with the annual shareholders meeting for the Nuveen municipal closed-end funds listed at the top of the Notice of Annual Meeting of Shareholders.

You are being asked to vote on a number of important matters:

(i) Updated Investment Policies (Affected Municipal Funds (as defined in the Proxy Statement)). Nuveen's municipal closed-end funds are seeking to adopt a uniform, up to date set of investment policies (the New Investment Policies). In general, these funds currently have a somewhat diverse set of policies, reflecting when the funds were launched over the past 20 years as well as developments over time in the municipal market, including new types of securities as well as investment strategies.

(ii) Approval of Fund Board Nominees (All Funds). Each year, you and other Fund shareholders must approve the election of Board members to serve on your Fund's Board. This is a requirement for all funds that list their common shares on a stock exchange. The Funds described in this Proxy Statement are holding their annual shareholders meetings at which Board members will be elected. The list of specific nominees is contained in the enclosed Proxy Statement.

Your Fund's Board of Trustees/Directors, including your Board's independent members, unanimously recommends that you vote **FOR** each proposal.

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

Q. What are the potential benefits of the New Investment Policies for common shareholders of the Affected Municipal Funds?

- A. The potential benefits to common shareholders are:

Enhanced ability of the Affected Municipal Funds to generate attractive tax-free income while retaining their orientation on investment grade quality municipal securities;

Increased flexibility in diversifying portfolio risks and managing duration (the sensitivity of bond prices to interest rate changes) to pursue the preservation of and possible growth of capital, which, if successful, will help to sustain and build net asset value; and

Improved secondary market competitiveness that may lead to a higher relative market price and/or stronger premium/discount performance.

Q. What are the potential benefits of the New Investment Policies for preferred shareholders of the Affected Municipal Funds?

- A. The potential benefits to preferred shareholders are increased flexibility in diversifying portfolio risks and managing duration (the sensitivity of bond prices to interest rate changes) to pursue the preservation of and possible growth of capital, which, if successful, will help to sustain and build net asset value and therefore asset coverage levels for preferred shares.

Q. What actions are required in order to implement the New Investment Policies?

- A. In order to implement the New Investment Policies and obtain the potential benefits described above, each Affected Municipal Fund must make certain changes to its existing policies, including certain fundamental policies that require approval of shareholders. In some cases, this may require shareholder approval of the elimination of an existing fundamental policy as well as the implementation of a new replacement fundamental policy. Because each Affected Municipal Fund is situated somewhat differently, the specific changes required to implement the New Investment Policies may vary from fund to fund.

Q. What happens if shareholders don't approve the elimination of the fundamental investment policies and/or don't approve the New Investment Policy or Policies?

- A. An Affected Municipal Fund will not be able to implement the New Investment Policies as discussed above. The Affected Municipal Fund would likely incur further expenses to solicit additional shareholder participation, and may experience potential disruptions to its investment operations. The Boards of the Affected Municipal Funds urge you to vote without delay in order to avoid the potential for higher costs and/or disruptions to portfolio operations.

Q. Who do I call if I have questions?

- A. If you need any assistance, or have any questions regarding the proposals or how to vote your shares, please call Computershare Fund Services, your Fund's proxy solicitor, at (866) 434-7510. Please have your proxy materials available when you call.

Q. How do I vote my shares?

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

Q. Will anyone contact me?

- A. You may receive a call from Computershare Fund Services, the proxy solicitor hired by 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 and in the best interests of the Fund's shareholders. Once your vote has been registered with the proxy solicitor, your name will be removed from the solicitor's follow-up

contact list.

333 West Wacker Drive
Chicago, Illinois 60606
(800) 257-8787
**Notice of Annual Meeting
of Shareholders
July 27, 2010**

June 21, 2010

Nuveen Municipal Value Fund, Inc. (NUV)
Nuveen Municipal Value Fund 2 (NUW)
Nuveen Municipal Income Fund, Inc. (NMI)
Nuveen Enhanced Municipal Value Fund (NEV)
Nuveen Premium Income Municipal Fund, Inc. (NPI)
Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Nuveen Municipal Advantage Fund, Inc. (NMA)
Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
Nuveen Investment Quality Municipal Fund, Inc. (NQM)
Nuveen Select Quality Municipal Fund, Inc. (NQS)
Nuveen Quality Income Municipal Fund, Inc. (NQU)
Nuveen Premier Municipal Income Fund, Inc. (NPF)
Nuveen Premier Insured Municipal Income Fund, Inc. (NIF)
Nuveen Premium Income Municipal Fund 2, Inc. (NPM)
Nuveen Premium Income Municipal Fund 4, Inc. (NPT)
Nuveen Dividend Advantage Municipal Fund (NAD)
Nuveen Dividend Advantage Municipal Fund 2 (NXZ)
Nuveen Dividend Advantage Municipal Fund 3 (NZF)
Nuveen Municipal High Income Opportunity Fund (NMZ)
Nuveen Municipal High Income Opportunity Fund 2 (NMD)
Nuveen Insured Dividend Advantage Municipal Fund (NVG)
Nuveen Insured Municipal Opportunity Fund, Inc. (NIO)
Nuveen Insured Premium Income Municipal Fund 2 (NPX)
Nuveen Insured Quality Municipal Fund, Inc. (NQI)
Nuveen Insured Tax-Free Advantage Municipal Fund (NEA)
Nuveen Select Maturities Municipal Fund (NIM)
Nuveen Select Tax-Free Income Portfolio (NXP)
Nuveen Select Tax-Free Income Portfolio 2 (NXQ)
Nuveen Select Tax-Free Income Portfolio 3 (NXR)
Nuveen California Select Tax-Free Income Portfolio (NXC)
Nuveen New York Select Tax-Free Income Portfolio (NXN)

To the Shareholders of the Above Funds:

Notice is hereby given that the Annual Meeting of Shareholders (the Annual Meeting) of Nuveen Municipal Value Fund, Inc. (Municipal Value), Nuveen Municipal Income Fund, Inc. (Municipal Income), Nuveen Premium Income Municipal Fund, Inc. (Premium Income), Nuveen Performance Plus Municipal Fund, Inc. (Performance Plus), Nuveen Municipal Advantage Fund, Inc. (Municipal Advantage), Nuveen Municipal Market Opportunity Fund, Inc. (Municipal Market Opportunity), Nuveen Investment Quality Municipal Fund, Inc. (Investment Quality), Nuveen Select Quality Municipal Fund, Inc. (Select Quality), Nuveen Quality Income Municipal Fund, Inc. (Quality Income), Nuveen Insured Municipal Opportunity Fund, Inc. (Insured Municipal Opportunity), Nuveen Insured Quality Municipal Fund, Inc. (Insured Quality), Nuveen Premier Municipal Income Fund, Inc. (Premier Municipal), Nuveen Premier Insured Municipal Income Fund, Inc. (Premier Insured), Nuveen Premium Income Municipal Fund 2, Inc. (Premium Income 2), Nuveen Premium Income Municipal Fund 4, Inc. (Premium Income 4), each a **Minnesota Corporation** (each a Minnesota Fund and collectively, the Minnesota Funds), and Nuveen Enhanced Municipal Value Fund (Enhanced Value), Nuveen Dividend Advantage Municipal Fund (Dividend Advantage), Nuveen Insured Dividend Advantage Municipal Fund (Insured Dividend Advantage), Nuveen Insured Premium Income Municipal Fund 2 (Insured Premium Income 2), Nuveen Insured Tax-Free Advantage Municipal Fund (Insured Tax-Free Advantage), Nuveen Dividend Advantage Municipal Fund 2 (Dividend Advantage 2), Nuveen Dividend Advantage Municipal Fund 3 (Dividend Advantage 3), Nuveen Municipal High Income Opportunity Fund (Municipal High Income), Nuveen Municipal High Income Opportunity Fund 2 (Municipal High Income 2), Nuveen Municipal Value Fund 2 (Municipal Value 2), Nuveen Select Maturities Municipal Fund (Select Maturities), Nuveen Select Tax-Free Income Portfolio (Select Portfolio), Nuveen Select Tax-Free Income Portfolio 2 (Select Portfolio 2), Nuveen Select Tax-Free Income Portfolio 3 (Select Portfolio 3), Nuveen California Select Tax-Free Income Portfolio (California Portfolio) and Nuveen New York Select Tax-Free Income Portfolio (New York Portfolio), each a **Massachusetts Business Trust** (individually, a Fund and collectively, the Funds), will be held in the Lobby Conference Room, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, July 27, 2010, at 10:00 a.m., Central time, for the following purposes and to transact such other business, if any, as may properly come before the Annual Meeting:

Matters to Be Voted on by Shareholders:

1. To elect Members to the Board of Directors/Trustees (each a Board and each Director or Trustee a Board Member) of each Fund as outlined below:
 - a. For each Minnesota Fund, except Municipal Value and Municipal Income, to elect nine (9) Board Members:
 - (i) seven (7) Board Members to be elected by the holders of Common Shares and Municipal Auction Rate Cumulative Preferred Shares (Preferred Shares), voting together as a single class; and
 - (ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting separately as a single class.
 - b. For Municipal Value and Municipal Income, to elect three (3) Board Members.
 - c. For each Massachusetts Business Trust, except Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California
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Portfolio, New York Portfolio and Municipal High Income 2, to elect four (4) Board Members:

- (i) two (2) Board Members to be elected by the holders of Common Shares and Preferred Shares, voting together as a single class; and
 - (ii) two (2) Board Members to be elected by the holders of Preferred Shares only, voting separately as a single class.
- d. For Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2, to elect three (3) Board Members.
2. To approve the elimination of fundamental investment policies and/or to approve the new fundamental investment policies for Premium Income, Performance Plus, Municipal Market Opportunity and Premium Income 4.
 3. To transact such other business as may properly come before the Annual Meeting.

Shareholders of record at the close of business on May 28, 2010 are entitled to notice of and to vote at the Annual Meeting.

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

Kevin J. McCarthy
Vice President and Secretary

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

Joint Proxy Statement

June 21, 2010

This Joint Proxy Statement is first being mailed to shareholders on or about June 21, 2010.

Nuveen Municipal Value Fund, Inc. (NUV)
Nuveen Municipal Value Fund 2 (NUW)
Nuveen Municipal Income Fund, Inc. (NMI)
Nuveen Enhanced Municipal Value Fund (NEV)
Nuveen Premium Income Municipal Fund, Inc. (NPI)
Nuveen Performance Plus Municipal Fund, Inc. (NPP)
Nuveen Municipal Advantage Fund, Inc. (NMA)
Nuveen Municipal Market Opportunity Fund, Inc. (NMO)
Nuveen Investment Quality Municipal Fund, Inc. (NQM)
Nuveen Select Quality Municipal Fund, Inc. (NQS)
Nuveen Quality Income Municipal Fund, Inc. (NQU)
Nuveen Premier Municipal Income Fund, Inc. (NPF)
Nuveen Premier Insured Municipal Income Fund, Inc. (NIF)
Nuveen Premium Income Municipal Fund 2, Inc. (NPM)
Nuveen Premium Income Municipal Fund 4, Inc. (NPT)
Nuveen Dividend Advantage Municipal Fund (NAD)
Nuveen Dividend Advantage Municipal Fund 2 (NXZ)
Nuveen Dividend Advantage Municipal Fund 3 (NZF)
Nuveen Municipal High Income Opportunity Fund (NMZ)
Nuveen Municipal High Income Opportunity Fund 2 (NMD)
Nuveen Insured Dividend Advantage Municipal Fund (NVG)
Nuveen Insured Municipal Opportunity Fund, Inc. (NIO)
Nuveen Insured Premium Income Municipal Fund 2 (NPX)
Nuveen Insured Quality Municipal Fund, Inc. (NQI)
Nuveen Insured Tax-Free Advantage Municipal Fund (NEA)
Nuveen Select Maturities Municipal Fund (NIM)
Nuveen Select Tax-Free Income Portfolio (NXP)
Nuveen Select Tax-Free Income Portfolio 2 (NXQ)
Nuveen Select Tax-Free Income Portfolio 3 (NXR)
Nuveen California Select Tax-Free Income Portfolio (NXC)
Nuveen New York Select Tax-Free Income Portfolio (NXN)

General Information

This Joint Proxy Statement is furnished in connection with the solicitation by the Board of Directors or Trustees (each a Board and collectively, the Boards, and each Director or Trustee, a Board Member and collectively, the Board Members) of Nuveen Municipal Value Fund, Inc. (Municipal Value), Nuveen Municipal Income Fund, Inc. (Municipal Income), Nuveen Premium Income Municipal Fund, Inc. (Premium Income), Nuveen Performance Plus Municipal Fund, Inc. (Performance Plus), Nuveen Municipal Advantage Fund, Inc. (Municipal Advantage), Nuveen Municipal Market Opportunity Fund, Inc. (Municipal Market Opportunity), Nuveen Investment Quality Municipal Fund, Inc. (Investment Quality), Nuveen Select Quality Municipal Fund, Inc. (Select Quality), Nuveen Quality Income Municipal Fund, Inc. (Quality Income), Nuveen Insured Municipal Opportunity Fund, Inc. (Insured Municipal Opportunity), Nuveen Insured Quality Municipal Fund, Inc. (Insured Quality), Nuveen Premier Municipal Income Fund, Inc. (Premier Municipal), Nuveen Premier Insured Municipal Income Fund, Inc. (Premier Insured), Nuveen Premium Income Municipal Fund 2, Inc. (Premium Income 2), Nuveen Premium Income Municipal Fund 4, Inc. (Premium Income 4), each a **Minnesota Corporation** (each referred to herein as a Minnesota Fund and collectively, the Minnesota Funds), and Nuveen Enhanced Municipal Value Fund (Enhanced Value), Nuveen Dividend Advantage Municipal Fund (Dividend Advantage), Nuveen Insured Dividend Advantage Municipal Fund (Insured Dividend Advantage), Nuveen Insured Premium Income Municipal Fund 2 (Insured Premium Income 2), Nuveen Insured Tax-Free Advantage Municipal Fund (Insured Tax-Free Advantage), Nuveen Dividend Advantage Municipal Fund 2 (Dividend Advantage 2), Nuveen Dividend Advantage Municipal Fund 3 (Dividend Advantage 3), Nuveen Municipal High Income Opportunity Fund (Municipal High Income), Nuveen Municipal High Income Opportunity Fund 2 (Municipal High Income 2), Nuveen Municipal Value Fund 2 (Municipal Value 2), Nuveen Select Maturities Municipal Fund (Select Maturities), Nuveen Select Tax-Free Income Portfolio (Select Portfolio), Nuveen Select Tax-Free Income Portfolio 2 (Select Portfolio 2), Nuveen Select Tax-Free Income Portfolio 3 (Select Portfolio 3), Nuveen California Select Tax-Free Income Portfolio (California Portfolio) and Nuveen New York Select Tax-Free Income Portfolio (New York Portfolio), each a **Massachusetts Business Trust** (each referred to herein as a Massachusetts Fund and collectively, the Massachusetts Funds) (the Massachusetts Funds and Minnesota Funds are each, a Fund and collectively, the Funds), of proxies to be voted at the Annual Meeting of Shareholders to be held in the Lobby Conference Room, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Tuesday, July 27, 2010, at 10:00 a.m., Central time (for each Fund, an Annual Meeting and collectively, the Annual Meetings), and at any and all adjournments thereof.

On the matters coming before each Annual Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If a proxy is returned and no choice is specified, the shares will be voted FOR the election of the nominees as listed in this Joint Proxy Statement and FOR the elimination of the fundamental investment policies and the adoption of new fundamental investment policies for the Affected Municipal Funds (as defined below). Shareholders who execute proxies may revoke them at any time before they are voted by filing with that Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

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

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

Matter	Common Shares	Preferred Shares⁽¹⁾
1(a)(i) For each Minnesota Fund (except Municipal Value and Municipal Income), election of seven (7) Board Members by all shareholders.	X	X
1(a)(ii) For each Minnesota Fund (except Municipal Value and Municipal Income), election of two (2) Board Members by Preferred Shares only.	X	X
1(b) For Municipal Value and Municipal Income, election of three (3) Board Members by all shareholders.	X	N/A
1(c)(i) For each Massachusetts Fund (except Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2), election of two (2) Board Members by all shareholders.	X	X
1(c)(ii) For each Massachusetts Fund (except Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2), election of two (2) Board Members by Preferred Shares only.	X	X
1(d) For Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2, election of three (3) Board Members by all shareholders.	X	N/A
2. For Premium Income, Performance Plus, Municipal Market Opportunity and Premium Income 4 (the Affected Municipal Funds), to approve the elimination of fundamental investment policies and/or to approve the new fundamental investment policies.	X	X
2(a)	X	X

For each Affected Municipal Fund, to approve the elimination of the Fund's fundamental investment policies relating to investments in municipal securities and below investment grade securities.

2(b)	For each Affected Municipal Fund to approve the new fundamental investment policy relating to investments in municipal securities.	X	X
2(c)	For each Affected Municipal Fund to approve the elimination of the fundamental investment policy relating to investing in other investment companies.	X	X

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Matter	Common Shares	Preferred Shares ⁽¹⁾
2(d) For each Affected Municipal Fund to approve the elimination of fundamental investment policies relating to commodities.	X	X
2(e) For each Affected Municipal Fund to approve the new fundamental investment policy relating to commodities.	X	X
2(f) For each Affected Municipal Fund to approve the elimination of fundamental investment policies relating to derivatives and short sales.	X	X

(1) Variable Rate Demand Preferred Shares for Municipal Advantage, Municipal Market Opportunity, Premium Income 4, Dividend Advantage 2 and Insured Premium Income 2; MuniTerm Preferred for Dividend Advantage, Insured Dividend Advantage and Insured Tax-Free Advantage; and Municipal Auction Rate Cumulative Preferred Shares (MuniPreferred) for each other Fund, as well as MuniPreferred for Dividend Advantage, Insured Dividend Advantage and Insured Tax-Free Advantage, are referred to as Preferred Shares. Municipal High Income 2, Municipal Value, Municipal Value 2, Municipal Income, Enhanced Value, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio and New York Portfolio have not issued Preferred Shares.

A quorum of shareholders is required to take action at each Annual Meeting. A majority of the shares entitled to vote at each Annual Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Annual Meeting, except that for the election of the two Board Member nominees to be elected by holders of Preferred Shares of each Fund (except Municipal Value, Municipal Value 2, Municipal Income, Enhanced Value, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2), 33 1/3% of the Preferred Shares entitled to vote and represented in person or by proxy will constitute a quorum. Votes cast by proxy or in person at each Annual Meeting will be tabulated by the inspectors of election appointed for that Annual Meeting. The inspectors of election will determine whether or not a quorum is present at the Annual Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as present for purposes of determining a quorum.

For each Fund, the affirmative vote of a plurality of the shares present and entitled to vote at the Annual Meeting will be required to elect the Board Members of that Fund. For purposes of determining the approval of the proposal to elect nominees for each Fund, abstentions and broker non-votes will have no effect on the election of Board Members. For purposes of determining the approval of the elimination of the fundamental investment policies and the approval of the new fundamental investment policies for the Affected Municipal Funds, a change will only be consummated if approved by the affirmative vote of the holders of a majority of the outstanding shares of a Fund's Common Shares and Preferred Shares, voting together as a single class, and of the Preferred Shares, voting as a separate class, as defined in the Investment Company Act of 1940, as amended (the 1940 Act), as (a) 67% or more of the voting

securities present at the Annual Meeting, if the holders of more than 50% of the outstanding voting securities are present or represented by proxy; or (b) more than 50% of the outstanding voting securities, whichever is less. For purposes of determining the approval of the elimination of the fundamental investment policies and the approval of the new

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fundamental investment policies, abstentions and broker non-votes will have the same effect as shares voted against the proposal.

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

Those persons who were shareholders of record at the close of business on May 28, 2010 will be entitled to one vote for each share held and a proportionate fractional vote for each fractional share held. As of May 28, 2010, the shares of the Funds were issued and outstanding as follows:

Fund	Ticker Symbol*	Common Shares	Preferred Shares	
Municipal Value	NUV	197,463,086	N/A	
Municipal Value 2	NUW	12,759,555	N/A	
Municipal Income	NMI	8,198,477	N/A	
Enhanced Value	NEV	19,230,716	N/A	
Premium Income	NPI	63,785,430	Series M	2,900
			Series M2	1,526
			Series T	2,900
			Series W	2,900
			Series TH	2,901
			Series F	2,899
Performance Plus	NPP	59,914,073	Series M	3,507
			Series T	3,506
			Series W	3,505
			Series TH	2,770
			Series F	3,508

Municipal Advantage	NMA	43,336,100	VRDP Series 1	2,968
Municipal Market Opportunity	NMO	45,634,013	VRDP Series 1	3,509
Investment Quality	NQM	35,820,767	Series M Series T Series W Series TH Series F	1,750 1,750 1,749 1,429 1,750

Fund	Ticker Symbol*	Common Shares	Preferred Shares	
Select Quality	NQS	34,105,588	Series M	1,801
			Series T	1,801
			Series W	2,522
			Series TH	1,405
			Series F	2,522
Quality Income	NQU	54,219,374	Series M	2,567
			Series T	2,569
			Series W	2,568
			Series W2	1,780
			Series TH	3,423
			Series F	2,568
Premier Municipal	NPF	19,888,518	Series M	769
			Series T	2,153
			Series TH	2,152
Premier Insured	NIF	19,425,849	Series W	678
			Series TH	2,263
			Series F	2,264
Premium Income 2	NPM	70,692,851	Series M	1,600
			Series M2	1,379
			Series T	2,401
			Series T2	2,683
			Series W	1,600
			Series TH	2,401
			Series TH2	1,379
			Series F	1,601
			Series F2	1,504
			Series F3	1,915
Series F4	1,038			
Premium Income 4	NPT	43,236,703	VRDP	2,622
			Series 1	
Dividend Advantage	NAD	39,287,298	Series M	1,628
			Series T	1,628

			Series TH MuniTerm Preferred	1,547 14,430,000
Dividend Advantage 2	NXZ	29,440,679	VRDP Series 1	1,960
Dividend Advantage 3	NZF	40,378,174	Series W Series TH Series F	3,159 3,159 3,160
Municipal High Income	NMZ	26,001,680	Series M Series T Series W	1,826 987 987
Municipal High Income 2	NMD	16,734,337	N/A	

Fund	Ticker Symbol*	Common Shares	Preferred Shares	
Insured Dividend Advantage	NVG	29,802,900	Series M	1,247
			Series T	1,217
			Series TH	1,214
			MuniTerm Preferred	10,800,000
Insured Municipal Opportunity	NIO	95,586,903	Series M	3,319
			Series T	3,319
			Series W	3,320
			Series W2	2,655
			Series W3	1,486
			Series TH1	3,319
			Series TH2	3,321
			Series TH3	2,536
			Series F	3,318
Insured Premium Income 2	NPX	37,353,512	VRDP	2,190
			Series 1	
Insured Quality	NQI	38,353,947	Series M	1,954
			Series T	1,956
			Series W	1,957
			Series TH	1,745
			Series F	1,956
Insured Tax-Free Advantage	NEA	22,235,722	Series T	1,104
			Series W	1,105
			Series W2	486
			MuniTerm Preferred	8,300,000
Select Maturities	NIM	12,417,888	N/A	
Select Portfolio	NXP	16,486,472	N/A	
Select Portfolio 2	NXQ	17,677,291	N/A	

Select Portfolio 3	NXR	13,005,549	N/A
California Portfolio	NXC	6,267,289	N/A
New York Portfolio	NXN	3,913,616	N/A

* The Common Shares of all of the Funds are listed on the New York Stock Exchange, except NEA, NVG, NXZ, NZF and NMZ, which are listed on the NYSE Amex. The MuniTerm Preferred Shares of NVG, NEA and NAD are listed on the New York Stock Exchange.

1. Election of Board Members

Minnesota Corporations

At the Annual Meeting of each Minnesota Corporation, Board Members are to be elected to serve until the next annual meeting or until their successors shall have been duly elected and qualified. Under the terms of each Minnesota Corporation's organizational documents (except Municipal Value and Municipal Income), under normal circumstances, holders of Preferred Shares 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. Pursuant to the organizational documents of Municipal Value and Municipal Income,

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each Board is divided into three classes, with each class being elected to serve until the third succeeding annual meeting subsequent to their election or thereafter in each case when their respective successors are duly elected and qualified. For Municipal Value and Municipal Income, three (3) Board Members are nominated to be elected at this Annual Meeting.

a. For each Minnesota Corporation, except Municipal Value and Municipal Income:

- (i) seven (7) Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Board Members Amboian, Bremner, Evans, Kundert, Stockdale, Stone and Toth are nominees for election by all shareholders.
- (ii) two (2) Board Members are to be elected by holders of Preferred Shares, each series voting together as a single class. Board Members Hunter and Schneider are nominees for election by holders of Preferred Shares.

b. For Municipal Value and Municipal Income: three (3) Board Members are to be elected by all shareholders.

With respect to Municipal Value, Board Members Hunter, Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert, Schneider and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner, Evans and Schneider have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

With respect to Municipal Income, Board Members Hunter, Stockdale and Stone have been designated as Class III Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert, Schneider and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class I Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner, Evans and Schneider have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

Massachusetts Business Trusts

Pursuant to the organizational documents of each Massachusetts Business Trust, each Board is divided into three classes, Class I, Class II and Class III, to be elected by the holders of the outstanding Common Shares and any outstanding Preferred Shares, voting together as a single class to serve until the third succeeding annual meeting subsequent to their election or thereafter, in each case until their successors have been duly elected and qualified. For each

Massachusetts Business Trust, except Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2, under normal circumstances, holders of Preferred Shares are entitled to elect two (2) Board Members. The Board Members elected by holders of Preferred Shares will be elected to serve until the next annual meeting or until their successors shall have been duly elected and qualified.

c. For each Massachusetts Business Trust, except Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2:

- (i) two (2) Board Members are to be elected by holders of Common Shares and Preferred Shares, voting together as a single class. Board Members Stockdale and Stone have been designated as Class I Board Members and as nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner and Evans have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.
- (ii) two (2) Board Members are to be elected by holders of Preferred Shares, voting separately as a single class. Board Members Hunter and Schneider are nominees for election by holders of Preferred Shares for a term expiring at the next annual meeting or until their successors have been duly elected and qualified.

d. For Enhanced Value, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2:

Three (3) Board Members are to be elected by all shareholders. Board Members Hunter, Stockdale and Stone have been designated as Class I Board Members and nominees for Board Members for a term expiring at the annual meeting of shareholders in 2013 or until their successors have been duly elected and qualified. Board Members Amboian, Bremner, Evans, Kundert Schneider and Toth are current and continuing Board Members. Board Members Amboian, Kundert and Toth have been designated as Class II Board Members for a term expiring at the annual meeting of shareholders in 2011 or until their successors have been duly elected and qualified. Board Members Bremner, Evans and Schneider have been designated as Class III Board Members for a term expiring at the annual meeting of shareholders in 2012 or until their successors have been duly elected and qualified.

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

For each Minnesota Corporation, except for Municipal Value and Municipal Income all Board Member nominees were last elected to each Fund's Board at the annual meeting of shareholders held on July 28, 2009 and adjourned to September 1, 2009.

For Municipal Value, Board Members Bremner, Evans and Schneider were last elected as Class III Board Members at the annual meeting of shareholders held on July 28, 2009. Board Members Amboian, Kundert and Toth were last elected as Class II Board Members at the annual meeting of shareholders held on July 29, 2008 and adjourned to August 29, 2008.

For Municipal Income, Board Members Bremner, Evans and Schneider were last elected as Class II Board Members at the annual meeting of shareholders held on July 28, 2009. Board Members Amboian, Kundert and Toth were last elected as Class I Board Members at the annual meeting of shareholders held on July 29, 2008 and adjourned to August 29, 2008.

For each Massachusetts Business Trust, except Enhanced Value, Insured Dividend Advantage, Insured Premium Income 2, Insured Tax-Free Advantage, Municipal Value 2, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2, Board Members Bremner and Evans were last elected to each Fund's Board as Class III Board Members and Board Members Hunter and Schneider were last elected to each Fund's Board at the annual meeting of shareholders held on July 28, 2009 and adjourned to September 1, 2009. Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members at the annual meeting of shareholders held on July 29, 2008 and adjourned to August 29, 2008, September 30, 2008 and October 28, 2008.

For Insured Tax-Free Advantage, Insured Dividend Advantage and Insured Premium Income 2 Board Members Bremner and Evans were last elected to each Fund's Board as Class III Board Members and Board Members Hunter and Schneider were last elected to each Fund's Board at the annual meeting of shareholders held on July 28, 2009 and for Insured Dividend Advantage and Insured Premium Income 2, adjourned to September 1, 2009. Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members at the annual meeting of shareholders held on June 30, 2008 and adjourned to July 28, 2008 and August 29, 2008, and for Insured Premium Income 2, adjourned to September 30, 2008 and for Insured Dividend Advantage, adjourned to September 30, 2008 and October 28, 2008.

For Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio New York Portfolio and Municipal High Income 2, Board Members Bremner, Evans and Schneider were last elected as Class III Board Members at the annual meeting of shareholders held on July 28, 2009. Board Members Amboian, Kundert and Toth were last elected to each Fund's Board as Class II Board Members at the annual meeting of shareholders held on July 29, 2008 and adjourned to August 29, 2008. Board Member Hunter was last elected to each Fund's Board as a Class I Board Member at the annual meeting of shareholders held on July 29, 2008 and adjourned to August 29, 2008.

For Enhanced Value and Municipal Value 2, all of the Board Members were elected by the initial shareholder of the Fund, Nuveen Asset Management (the Adviser or NAM), on July 28, 2009 and February 23, 2009, respectively.

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

The Board unanimously recommends that shareholders vote FOR the election of the nominees named below.

Board Nominees/Board Members

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
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Nominees/Board Members who are not interested persons of the Funds

Robert P. Bremner* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (8/22/40)	Chairman of the Board, Member Nominee	Term: Annual or Class III Board Member until 2012 ⁽²⁾ Length of Service: Since 1996; Chairman of the Board since 2008; Lead Independent Director (2005-2008)	Private Investor and Management Consultant; Treasurer and Director, Humanities Council of Washington D.C.	200	N/A
Jack B. Evans c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/22/48)	Board Member Nominee	Term: Annual or Class III Board Member until 2012 ⁽²⁾ Length of Service: Since 1999	President, The Hall-Perrine Foundation, a private philanthropic corporation (since 1996); Director and Vice Chairman, United Fire Group, a publicly held company; Member of the Board of Regents for the State of Iowa University System; Director, Gazette Companies; Life Trustee of Coe College and Iowa College Foundation; formerly, Director, Alliant Energy; formerly, Director, Federal Reserve	200	See Principal Occupation Description

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

William C. Hunter c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (3/6/48)	Board Member Nominee	Term: Annual or Class II Board Member until 2010 ⁽²⁾ Length of Service: Since 2004	Dean, Tippie College of Business, University of Iowa (since 2006); Director (since 2004) of Xerox Corporation, a publicly held company; Director (since 2005) of Beta Gamma Sigma International Society; formerly (2003-2006), Dean and Distinguished Professor of Finance, School of Business at the University of Connecticut (2003-2006); formerly, Senior Vice President and Director of Research at the Federal Reserve Bank of Chicago (1995-2003); formerly, Director, SS&C Technologies, Inc. (May 2005-October 2005); formerly, Director, Credit Research Center at Georgetown University (1997-2007).	200	See Principal Occupation Description
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Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served ⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
David J. Kundert* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (10/28/42)	Board Member Nominee	Term: Annual or Class II Board Member until 2011 ⁽²⁾ Length of Service: Since 2005	Director, Northwestern Mutual Wealth Management Company; retired (2004) as Chairman, JPMorgan Fleming Asset Management, President and CEO, Banc One Investment Advisors Corporation, and President, One Group Mutual Funds; prior thereto, Executive Vice President, Bank One Corporation and Chairman and CEO, Banc One Investment Management Group; Board of Regents, Luther College; member of the Wisconsin Bar Association; member of Board of Directors, Friends of Boerner Botanical Gardens; member of Board of Directors and member of Investment Committee, Greater Milwaukee Foundation.	200	See Principal Occupation Description
William J. Schneider* c/o Nuveen Investments, Inc.	Board Member Nominee	Term: Annual or Class III Board Member until 2012 ⁽²⁾	Chairman, of Miller-Valentine Partners Ltd., a real estate investment company;	200	See Principal Occupation Description

<p>333 West Wacker Drive Chicago, IL 60606 (9/24/44)</p>	<p>Length of Service: Since 1996</p>	<p>formerly, Senior Partner and Chief Operating Officer (retired, 2004) of Miller-Valentine Group; Member, University of Dayton Business School Advisory Council; formerly, Member and Chair, Dayton Philharmonic Orchestra Board; formerly, Member, Business Advisory Council, Cleveland Federal Reserve Bank; formerly, Director, Dayton Development Coalition.</p>		N/A
<p>Judith M. Stockdale c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (12/29/47)</p>	<p>Board Member Nominee</p>	<p>Term: Annual or Class I Board Member until 2010⁽²⁾ Length of Service: Since 1997</p>	<p>Executive Director, Gaylord and Dorothy Donnelley Foundation (since 1994); prior thereto, Executive Director, Great Lakes Protection Fund (from 1990 to 1994).</p>	200
<p>Carole E. Stone* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (6/28/47)</p>	<p>Board Member Nominee</p>	<p>Term: Annual or Class I Board Member until 2010⁽²⁾ Length of Service: Since 2007</p>	<p>Director, C2 Options Exchange, Incorporated (since 2009); Director, Chicago Board Options Exchange (since 2006); Commissioner, NYSE Commission on Public Authority Reform (since 2005); formerly, Chair, New York Racing Association Oversight Board (2005-2007).</p>	200

Name, Address and Birth Date	Position(s) Held with Fund	Term of Office and Length of Time Served⁽¹⁾	Principal Occupation(s) During Past 5 Years	Number of Portfolios in Fund Complex Overseen by Board Member	Other Directorships Held by Board Member During the Past Five Years
Terence J. Toth* c/o Nuveen Investments, Inc. 333 West Wacker Drive Chicago, IL 60606 (9/29/59)	Board Member Nominee	Term: Annual or Class II Board Member until 2011 ⁽²⁾ Length of Service: Since 2008:	Director, Legal & General Investment Management America, Inc. (since 2008); Managing Partner, Promus Capital Management (since 2008); 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: Goodman Theatre Board (since 2004), Chicago Fellowship Board (since 2005), University of Illinois Leadership Council Board (since 2007) and Catalyst Schools of Chicago Board (since 2008); 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	200	See Principal Occupation Description

Trust Hong Kong Board
(1997-2004).

Nominee/Board Member who is an interested person of the Funds

John P. Amboian ⁽³⁾ 333 West Wacker Drive Chicago, IL 60606 (6/14/61)	Board Member Nominee	Term: Annual or Class II Board Member until 2011 ⁽²⁾ Length of Service: Since 2008	Chief Executive Officer (since July 2007), Director (since 1999) of Nuveen Investments, Inc. and Chairman (since 2007); Chief Executive Officer (since 2007) of Nuveen Asset Management, Nuveen Investments Advisers, Inc.; President (since 2005) of Nuveen Commodities Asset Management, LLC.	200	See Principal Occupation Description
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* Also serves as a trustee of the Nuveen Diversified Commodity Fund, a Nuveen-sponsored commodity pool that has filed a registration statement on Form S-1 with the SEC for a proposed initial public offering. The S-1 has not been declared effective and the commodity pool has not commenced operations.

- (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) For Municipal Value, Municipal Value 2, Enhanced Value, Select Maturities, Select Portfolio, Select Portfolio 2, Select Portfolio 3, California Portfolio, New York Portfolio and Municipal High Income 2, Board Member Hunter serves as a Class I Board Member and Board Member Schneider serves as a Class III Board Member. For Municipal Income, Board Members Amboian, Kundert and Toth serve as Class I Board Members; Board Members Hunter, Stockdale and Stone are Class III Board Members; and Board Members Bremner, Evans and Schneider are Class II Board Members.
- (3) Interested person as defined in the 1940 Act, by reason of being an officer and director of each Fund's adviser.

The dollar range of equity securities beneficially owned by each Board Member in each Fund and all Nuveen funds overseen by the Board Member as of December 31, 2009 is set forth in Appendix A. The number of shares of each Fund beneficially owned by each Board Member and by the Board Members and officers of the Funds as a group as of December 31, 2009 is set forth in Appendix A. On December 31, 2009, Board Members and executive officers as a group beneficially owned approximately 800,000 shares of all funds managed by NAM (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). As of May 28, 2010, each Board Member's individual beneficial shareholdings of each Fund constituted less than 1% of the outstanding shares of each Fund. As of May 28, 2010, the Board Members and executive officers as a group beneficially owned less than 1% of the outstanding shares of each Fund. As of May 28, 2010, no shareholder beneficially owned more than 5% of any class of shares of any Fund, except as provided in Appendix B.

Compensation

Each Independent Board Member receives a \$100,000 annual retainer plus (a) a fee of \$3,250 per day for attendance in person or by telephone at a regularly scheduled meeting of the Board; (b) a fee of \$2,500 per meeting for attendance in person where such in-person attendance is required and \$1,500 per meeting for attendance by telephone or in person where in-person attendance is not required at a special, non-regularly scheduled board meeting; (c) a fee of \$2,000 per meeting for attendance in person or \$1,500 per meeting for attendance by telephone at an audit committee meeting; (d) a fee of \$2,000 per meeting for attendance at a regularly scheduled compliance, risk management and regulatory oversight committee meeting for regular quarterly meetings and \$1,000 per meeting for attendance of other, non-quarterly meetings; (e) a fee of \$1,000 per meeting for attendance in person or by telephone for a meeting of the dividend committee; and (f) a fee of \$500 per meeting for attendance in person at all other committee meetings, \$1,000 for attendance at shareholder meetings on a day on which no regularly scheduled board meeting is held in which in-person attendance is required, \$250 per meeting for attendance by telephone at committee meetings (excluding shareholder meetings) where in-person attendance is not required and \$100 per meeting when the executive committee acts as pricing committee for IPOs, plus, in each case, expenses incurred in attending such meetings. In addition to the payments described above, the Independent Chairman receives \$50,000 annually and the Lead Independent Director, if any, receives \$35,000, the chairpersons of the audit committee, the dividend committee and the compliance, risk management and regulatory oversight committee receive \$7,500 and the chairperson of the nominating and governance committee receives \$5,000 as additional retainers to the annual retainer paid to such individuals. Independent Board Members also receive a fee of \$2,500 per day for site visits to entities that provide services to the Nuveen funds on days on which no regularly scheduled board meeting is held. When ad hoc committees are organized, the nominating and governance committee will at the time of formation determine compensation to be paid to the members of such committees, however, in general such fees will be \$1,000 per meeting for attendance in person at any ad hoc committee meeting where in-person attendance is required and \$500 per meeting for attendance by telephone or in person at such meetings where in-person attendance is not required. The annual retainer, fees and expenses are allocated among the funds managed by the Adviser, on the basis of relative net asset sizes although fund management may, in its discretion, establish a minimum amount to be allocated to each fund. The Board Member affiliated with Nuveen and the Adviser serves without any compensation from the Funds.

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

Aggregate Compensation from the Funds⁽²⁾

Fund	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Terence J. Toth
Municipal Value	\$7,938	\$ 7,005	\$ 5,751	\$ 7,274	\$ 7,561	\$ 6,433	\$ 5,631	\$ 7,118
Municipal Value 2	659	599	410	457	474	556	410	573
Municipal Income Enhanced Value	351	304	246	287	299	269	254	291
Premium Income	5,600	4,948	4,077	5,148	5,347	4,564	3,951	5,034
Performance Plus	5,722	5,054	4,166	5,260	5,463	4,662	4,035	5,145
Municipal Advantage	4,029	3,559	2,934	3,705	3,847	3,282	2,840	3,627
Municipal Market Opportunity	4,309	3,805	3,138	3,962	4,113	3,510	3,037	3,877
Investment Quality	3,195	2,821	2,326	2,937	3,050	2,602	2,253	2,872
Select Quality	3,217	2,841	2,343	2,957	3,071	2,621	2,269	2,892
Quality Income	5,220	4,611	3,802	4,800	4,985	4,254	3,681	4,696
Premier Municipal	1,755	1,550	1,278	1,613	1,675	1,430	1,238	1,576
Premier Insured	1,879	1,661	1,369	1,730	1,796	1,532	1,325	1,692
Premium Income 2	4,996	4,560	3,985	4,704	4,825	3,985	3,902	4,616
Premium Income 4	3,575	3,158	2,603	3,287	3,413	2,912	2,520	3,217
Dividend Advantage	3,502	3,093	2,550	3,217	3,342	2,853	2,471	3,146
Dividend Advantage 2	2,690	2,378	1,955	2,471	2,569	2,188	1,914	2,417
Dividend Advantage 3	3,602	3,181	2,622	3,312	3,440	2,934	2,539	3,239
Municipal High Income	1,547	1,368	1,129	1,418	1,473	1,262	1,094	1,397
Municipal High Income 2	807	701	568	660	690	622	588	673
Insured Dividend Advantage	2,910	2,571	2,119	2,678	2,781	2,372	2,052	2,619
Insured Municipal Opportunity	10,287	9,389	8,196	9,689	9,939	8,210	8,019	9,515
Insured Premium Income 2	3,061	2,708	2,224	2,814	2,926	2,491	2,178	2,752
Insured Quality	3,436	3,037	2,503	3,161	3,282	2,800	2,423	3,096
Insured Tax-Free Advantage	2,318	2,116	1,847	2,183	2,240	1,851	1,807	2,143
Select Maturities	505	432	361	417	430	382	361	412
Select Portfolio	953	850	666	902	951	792	666	835
Select Portfolio 2	964	849	674	912	961	801	674	834
Select Portfolio 3	746	665	521	706	744	620	521	653

Aggregate Compensation from the Funds⁽²⁾

Fund	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Terence J. Toth
California Portfolio	358	316	250	339	357	298	250	310
New York Portfolio	224	198	157	212	224	187	157	194
Total Compensation from Nuveen Funds Paid to Board Members/Nominees ⁽¹⁾	\$ 265,996	\$ 239,830	\$ 194,333	\$ 252,913	\$ 258,133	\$ 219,480	\$ 186,750	\$ 247,289

- (1) Based on the total compensation paid, including deferred fees (including the return from the assumed investment in the eligible Nuveen funds), to the Board Members for the calendar year ended December 31, 2009 for services to the Nuveen open-end and closed-end funds advised by NAM.
- (2) Includes deferred fees. Pursuant to a deferred compensation agreement with certain of the Funds, deferred amounts are treated as though an equivalent dollar amount has been invested in shares of one or more eligible Nuveen funds. Total deferred fees for the Funds (including the return from the assumed investment in the eligible Nuveen funds) payable are:

Fund	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Terence J. Toth
Municipal Value	\$ 1,334	\$ 1,961	\$ 1,711	\$ 7,274	\$ 7,561	\$ 3,541		\$ 4,809
Municipal Value 2								
Municipal Income								
Enhanced Value								
Premium Income	943	1,387	1,233	5,148	5,347	2,508		3,411
Performance Plus	964	1,417	1,273	5,260	5,463	2,559		3,493
Municipal Advantage	679	998	913	3,705	3,847	1,796		2,472
Municipal Market								
Opportunity	726	1,067	977	3,962	4,113	1,921		2,643
Investment Quality	538	791	709	2,937	3,050	1,429		1,948
Select Quality	542	797	715	2,957	3,071	1,438		1,963
Quality Income	880	1,293	1,172	4,800	4,985	2,332		3,195
Premier Municipal	295	434	382	1,613	1,675	787		1,065
Premier Insured	317	466	424	1,730	1,796	839		1,153
Premium Income 2	817	1,238	807	4,704	4,825	2,240		2,893
Premium Income 4	602	885	807	3,287	3,413	1,594		2,190

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Dividend Advantage	589	867	768	3,217	3,342	1,569	2,130
Dividend Advantage 2	453	666	580	2,471	2,569	1,206	1,633
Dividend Advantage 3	607	892	804	3,312	3,440	1,610	2,201
Municipal High Income	260	383	370	1,418	1,473	682	965

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Fund	Robert P. Bremner	Jack B. Evans	William C. Hunter	David J. Kundert	William J. Schneider	Judith M. Stockdale	Carole E. Stone	Terence J. Toth
Municipal High Income 2								
Insured Dividend Advantage	491	721	652	2,678	2,781	1,301		1,781
Insured Municipal Opportunity	1,685	2,552	1,724	9,689	9,939	4,599		6,002
Insured Premium Income 2	515	759	654	2,814	2,926	1,375		1,855
Insured Quality	579	852	783	3,161	3,282	1,531		2,113
Insured Tax-Free Advantage	379	575	381	2,183	2,240	1,039		1,348
Select Maturities								
Select Portfolio	160	244		902	951	510		449
Select Portfolio 2	162	244		912	961	515		449
Select Portfolio 3	125	191		706	744	399		352
California Portfolio	60	91		339	357	191		167
New York Portfolio	38	57		212	224	120		105

Board Leadership Structure and Risk Oversight

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

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

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

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

and different perspectives of a Fund's operations. The Board has established five standing committees: the Executive Committee, the Dividend Committee, the Audit Committee, the Compliance, Risk Management and Regulatory Oversight Committee and the Nominating and Governance Committee. The Board may also from time to time create ad hoc committees to focus on particular issues as the need arises. The membership and functions of the standing committees are summarized below.

The Executive Committee, which meets between regular meetings of the Board, is authorized to exercise all of the powers of the Board. Robert P. Bremner, Chair, Judith M. Stockdale and John P. Amboian serve as the current members of the Executive Committee of the Board. The number of Executive Committee meetings of each Fund held during its last fiscal year is shown in Appendix C.

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

The Board has an Audit Committee, in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended (the 1934 Act), that is composed of Independent Board Members who are also independent as that term is defined in the listing standards pertaining to closed-end funds of the New York Stock Exchange or the NYSE Amex, as applicable. The Audit Committee assists the Board in the oversight and monitoring of the accounting and reporting policies, processes and practices of the Funds, and the audits of the financial statements of the Funds; the quality and integrity of the financial statements of the Funds; the Funds' compliance with legal and regulatory requirements relating to the Funds' financial statements; the independent auditors' qualifications, performance and independence; and the pricing procedures of the Funds and the internal valuation group of Nuveen. It is the responsibility of the Audit Committee to select, evaluate and replace any independent auditors (subject only to Board and, if applicable, shareholder ratification) and to determine their compensation. The Audit Committee is also responsible for, among other things, overseeing the valuation of securities comprising the Funds' portfolios. Subject to the Board's general supervision of such actions, the Audit Committee addresses any valuation issues, oversees the Funds' pricing procedures and actions taken by Nuveen's internal valuation group which provides regular reports to the committee, reviews any issues relating to the valuation of the Funds' securities brought to its attention and considers the risks to the Funds in assessing the possible resolutions to these matters. The Audit Committee may also consider any financial risk exposures for the Funds in conjunction with performing its functions.

To fulfill its oversight duties, the Audit Committee receives annual and semi-annual reports and has regular meetings with the external auditors for the Funds and the internal audit group at Nuveen. The Audit Committee also may review in a general manner the processes the Board or other Board committees have in place with respect to risk assessment and risk management as well as compliance with legal and regulatory matters relating to the Funds' financial statements. The Audit Committee operates under a written Audit Committee Charter adopted and approved by the Board, which Charter conforms to the listing standards of the New York Stock Exchange or the NYSE Amex, as applicable. Members of the Audit Committee shall be independent (as set forth in the Charter) and free of any relationship that, in the opinion of the Board Members, would interfere with their exercise of independent judgment as an Audit Committee member. The members of the Audit Committee are Robert P. Bremner, Jack B. Evans, David J. Kundert, Chair, William J. Schneider and Terence J. Toth, each of whom is an

independent Board Member of the Funds. A copy of the Audit Committee Charter is attached as Appendix D. The number of Audit Committee Meetings of each Fund held during its last fiscal year is shown in Appendix C.

The Compliance, Risk Management and Regulatory Oversight Committee (the Compliance Committee) is responsible for the oversight of compliance issues, risk management and other regulatory matters affecting the Funds that are not otherwise the jurisdiction of the other committees. The Board has adopted and periodically reviews policies and procedures designed to address the Funds' compliance and risk matters. As part of its duties, the Compliance Committee reviews the policies and procedures relating to compliance matters and recommends modifications thereto as necessary or appropriate to the full Board; develops new policies and procedures as new regulatory matters affecting the Funds arise from time to time; evaluates or considers any comments or reports from examinations from regulatory authorities and responds thereto; and performs any special reviews, investigations or other oversight responsibilities relating to risk management, compliance and/or regulatory matters as requested by the Board.

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

The Nominating and Governance Committee is responsible for seeking, identifying and recommending to the Board qualified candidates for election or appointment to the Board. In addition, the Nominating and Governance Committee oversees matters of corporate governance, including the evaluation of Board performance and processes, the assignment and rotation of committee members, and the establishment of corporate governance guidelines

and procedures, to the extent necessary or desirable, and matters related thereto. Although the unitary and committee structure has been developed over the years and the Nominating and Governance Committee believes the structure has provided efficient and effective governance, the committee recognizes that as demands on the Board evolve over time (such as through an increase in the number of funds overseen or an increase in the complexity of the issues raised), the committee must continue to evaluate the Board and committee structures and their processes and modify the foregoing as may be necessary or appropriate to continue to provide effective governance. Accordingly, the Nominating and Governance Committee has a separate meeting each year to, among other things, review the Board and committee structures, their performance and functions, and recommend any modifications thereto or alternative structures or processes that would enhance the Board's governance over the Funds' business.

In addition, the Nominating and Governance Committee, among other things, makes recommendations concerning the continuing education of Board Members; monitors performance of legal counsel and other service providers; establishes and monitors a process by which security holders are able to communicate in writing with Board Members; and periodically reviews and makes recommendations about any appropriate changes to Board Member compensation. In the event of a vacancy on the Board, the Nominating and Governance Committee receives suggestions from various sources as to suitable candidates. Suggestions should be sent in writing to Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, IL 60606. The Nominating and Governance Committee sets appropriate standards and requirements for nominations for new Board Members and reserves the right to interview any and all candidates and to make the final selection of any new Board Members. In considering a candidate's qualifications, each candidate must meet certain basic requirements, including relevant skills and experience, time availability (including the time requirements for due diligence site visits to internal and external sub-advisers and service providers) and, if qualifying as an Independent Board Member candidate, independence from the Adviser, sub-advisers, underwriters or other service providers, including any affiliates of these entities. These skill and experience requirements may vary depending on the current composition of the Board, since the goal is to ensure an appropriate range of skills, d