

NUVEEN INSURED TAX FREE ADVANTAGE MUNICIPAL FUND  
Form N-14 8C/A  
April 16, 2009

As filed with the Securities and Exchange Commission on April 16, 2009

File No. 333-157992

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-14**

**REGISTRATION STATEMENT**

**UNDER THE**

**SECURITIES ACT OF 1933**

**o Pre-Effective Amendment No. 1**

**o Post-Effective Amendment No. \_\_**

**NUVEEN INSURED TAX-FREE ADVANTAGE  
MUNICIPAL FUND**

*(Exact Name of Registrant as Specified in Charter)*

**333 West Wacker Drive**

**Chicago, Illinois 60606**

*(Address of Principal Executive Offices, Zip Code)*

Registrant's Telephone Number, including Area Code **(800) 257-8787**

**Kevin J. McCarthy**

**Vice President and Secretary**

**Nuveen Investments**

**333 West Wacker Drive**

**Chicago, Illinois 60606**

*(Name and Address of Agent for Service)*

Copy to:

**David A. Sturms**  
**Vedder Price P.C.**  
**222 North LaSalle Street**  
**Chicago, Illinois 60601**

**Eric F. Fess**  
**Chapman and Cutler LLP**  
**111 West Monroe Street**  
**Chicago, Illinois 60603**

Approximate date of proposed public offering: As soon as practicable after the effective date of this Registration Statement.

**CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933**

<b>Title of Securities Being Registered</b>	<b>Amount Being Registered (1)</b>	<b>Proposed Maximum Offering Price Per Unit(1)(2)</b>	<b>Proposed Maximum Aggregate Offering Price(1)</b>	<b>Amount of Registration Fee (1)(3)</b>
Common Shares, \$.01 Par Value Per Share	4,250,000 Shares	\$11.78	\$50,065,000.00(2)	\$2,793.63

Municipal Auction Rate Cumulative Preferred Shares, Series W2	1,160 Shares	\$25,000.00	\$29,000,000.00	\$1,618.20
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- (1) Estimated solely for the purpose of calculating the registration fee, pursuant to Rule 457(o) under the Securities Act of 1933.
- (2) Closing share price of common shares on April 14, 2009.
- (3) Transmitted prior to filing. A registration fee of \$56.08 was previously paid in connection with the initial filing.

The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that his registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, action pursuant to said Section 8(a), may determine.

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**IMPORTANT NOTICE TO  
NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND (NEA) AND  
NUVEEN INSURED FLORIDA TAX-FREE ADVANTAGE MUNICIPAL FUND (NWF) SHAREHOLDERS**

**APRIL           , 2009**

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

**Q.    Why am I receiving this Proxy Statement/Prospectus?**

**A.**    The Board of Trustees of the Nuveen Insured Tax-Free Advantage Municipal Fund (the *National Fund* ) and the Nuveen Insured Florida Tax-Free Advantage Municipal Fund (the *Florida Fund* ) recently voted to recommend a merger of the Funds to shareholders. As a Fund shareholder, you are being asked to vote to approve this proposed merger at a special shareholders meeting to be held on May 15, 2009.

**Q.    Why has the Board of Trustees recommended merging the Florida Fund into the National Fund?**

**A.**    This recommendation reflects various considerations, among them: (i) the price level at which the Florida Fund's common shares have traded over time in relation to their underlying net asset value on an absolute basis as well as relative to other closed-end funds; (ii) prior efforts to enhance, over time, the secondary market for the Florida Fund's common shares, including investment strategies aimed at increasing common net earnings as well as common share repurchases; and (iii) the repeal of Florida's intangible personal property tax which eliminated the state tax benefit to a Florida resident of owning a Florida-specific portfolio of municipal bonds. The Board of Trustees believes the proposed merger is in the best interests of both the National Fund and the Florida Fund.

**Q.    What are the proposed merger's potential benefits to me as a Fund shareholder?**

**A.**    The Board of Trustees believes the proposed merger offers the following potential benefits to National Fund and Florida Fund shareholders:

**National Fund:**

**Lower fees and operating expenses** per common share (excluding costs of leverage) from greater economies of scale as the combined fund's size results in a lower management fee rate and allows fixed operating expenses to be spread over a larger asset base.

**Enhanced relative investment performance** from increased common net earnings as well as expanded opportunities for enhanced total returns over time from the combined fund's larger asset base.

**Improved secondary market trading** as higher common net earnings and enhanced total returns over time may lead to higher common share market prices relative to net asset value, and the combined fund's greater market liquidity may lead to narrower bid-ask spreads and smaller trade-to-trade price movements.

**Expanded auction rate preferred securities ( ARPS ) refinancing opportunities** because the combined fund's larger asset base may increase its ability to refinance ARPS with tender option bonds. Through such refinancings the Fund seeks to provide liquidity at par for ARPS shareholders and to lower the relative cost of leverage over time for common shareholders.



**Florida Fund:**

**Lower fees and operating expenses** per common share (excluding costs of leverage) from greater economies of scale as the combined fund's size results in a lower management fee rate and allows fixed operating expenses to be spread over a larger asset base.

**Enhanced relative investment performance** from increased common net earnings as well as expanded opportunities for enhanced total returns over time from a nationally-diversified portfolio and the combined fund's larger asset base.

**Continuity of investment strategy** by maintaining the Fund's use of leverage, which offers common shareholders the potential for higher monthly tax-exempt distributions and enhanced total returns on average over market cycles, at a time when the municipal yield spreads are particularly wide or attractive.

**Improved secondary market trading** as a national fund instead of a Florida-specific fund potential investor base is expected to promote higher common share market prices relative to net asset value, and the combined fund's greater market liquidity may lead to narrower bid-ask spreads and smaller trade-to-trade price movements.

**Expanded ARPS refinancing opportunities** because greater portfolio diversification and the combined fund's larger asset base may increase its ability to refinance ARPS with tender option bonds. Through such refinancings the Fund seeks to provide liquidity at par for ARPS shareholders and to lower the relative cost of leverage over time for common shareholders.

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

- A. Yes. The Funds have similar investment objectives and policies except for (i) the Florida Fund's policy of concentrating its investment portfolio in Florida state-specific municipal securities in comparison to the National Fund's policy of investing in a nationally diversified portfolio of municipal securities and (ii) the Florida Fund is a non-diversified management investment company while the National Fund is a diversified management investment company.

**Q. What specific proposals will I be asked to vote on in connection with the proposed merger?**

- A. Depending on whether you are a National Fund or Florida Fund shareholder, you will be asked to vote on one or both of the following proposals:
- (i) *Approve Agreement and Plan of Reorganization (Both Funds)*. To approve an Agreement and Plan of Reorganization (the Agreement), pursuant to which the Florida Fund would (i) transfer all of its assets to the National Fund in exchange solely for National Fund common shares and Municipal Auction Rate Cumulative Preferred shares (MuniPreferred), Series W2, and the National Fund's assumption of all the liabilities of Florida Fund, (ii) distribute such shares of the National Fund to the common shareholders and MuniPreferred, Series W, shareholders of the Florida Fund and (iii) be liquidated, dissolved and terminated in accordance with the Florida Fund's Declaration of Trust (collectively, the Reorganization).
  - (ii) *Approve Issuance of Common Shares (National Fund)*. To approve the issuance of additional National Fund common shares in connection with the Reorganization.

Your Fund's Board of Trustees, including your Board's independent members, unanimously recommends that you vote **FOR** your Fund's applicable proposal(s). The Reorganization is

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dependent upon shareholder approval of both proposals. If shareholder approval of both proposals is not obtained, the Reorganization will not occur.

**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. How does the Board recommend that I vote?**

A. After careful consideration, the Board agreed unanimously that the Reorganization is in the best interests of the Funds and **recommends that you vote FOR your Fund's proposal(s).**

**Q. Will Florida Fund shareholders receive new shares in exchange for their current shares?**

A. Yes. Upon approval of the Reorganization, common shareholders of the Florida Fund in exchange for their Fund shares will receive common shares of the National Fund of equivalent total value. Upon approval of the Reorganization, shareholders of the Florida Fund's MuniPreferred, Series W, will receive in exchange one share of the National Fund's MuniPreferred, Series W2, for each share of the Florida Fund's MuniPreferred, Series W, held.

**Q. Is the Reorganization a taxable event for Florida Fund shareholders?**

A. No. The Reorganization is intended to qualify as a reorganization for federal income tax purposes. It is expected that you will recognize no gain or loss for federal income tax purposes as a result of the Reorganization.

**Q. What will happen if shareholders do not approve each proposal?**

A. If both proposals are not approved, the Reorganization will not occur. If the Reorganization does not occur, the Board will take such actions as it deems to be in the best interests of the Florida Fund based upon the Fund's current circumstances and market conditions.

**Q. Will I have to pay any direct fees or expenses in connection with the Reorganization?**

A. The Funds' expenses associated with the Reorganization will be allocated between the Funds and paid out of the Funds' net assets. Fund shareholders will indirectly bear the costs of the Reorganization.

**Q. What is the timetable for the Reorganization?**

A. If Fund shareholders approve each respective proposal at the special shareholders meeting on May 15, 2009, the Reorganization is expected to take effect on June 16, 2009 or as soon as practicable thereafter.

**Q. Who do I call if I have questions?**

A. If you need any assistance, or have any questions regarding the proposal or how to vote your shares, please call Georgeson Inc., your proxy solicitor, at (866) 963-6132, weekdays during its business hours of 7:00 a.m. to 7:00 p.m. Central time. Please have your proxy materials available when you call.

**Q. How do I vote my shares?**

**A.** 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.

**Q. Will Nuveen contact me?**

**A.** You may receive a call to verify that you received your proxy materials and to answer any questions you may have about the Reorganization.

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**APRIL , 2009**  
**NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND (NEA)**  
**NUVEEN INSURED FLORIDA TAX-FREE ADVANTAGE MUNICIPAL FUND (NWF)**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON MAY 15, 2009**

**To the Shareholders:**

Notice is hereby given that the Special Meeting of Shareholders of Nuveen Insured Tax-Free Advantage Municipal Fund ( National Fund or Acquiring Fund ) and Nuveen Insured Florida Tax-Free Advantage Municipal Fund ( Florida Fund or Acquired Fund ), will be held in the 31st floor conference room of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606, on Friday, May 15, 2009, at 2:00 p.m., Central time (the Special Meeting ), for the following purposes:

1. For shareholders of each Fund, to approve an Agreement and Plan of Reorganization (the Agreement ), pursuant to which Florida Fund would (i) transfer all of its assets to National Fund in exchange solely for common shares and Municipal Auction Rate Cumulative Preferred shares ( MuniPreferred ), Series W2, of National Fund and the National Fund s assumption of all the liabilities of Florida Fund, (ii) distribute such shares of the National Fund to the common shareholders and MuniPreferred, Series W, shareholders of the Florida Fund and (iii) be liquidated, dissolved and terminated in accordance with the Florida Fund s Declaration of Trust (collectively, the Reorganization ).
2. For common shareholders of the National Fund, to approve the issuance of additional common shares of the National Fund in connection with the Reorganization.

Only shareholders of record as of the close of business on March 19, 2009 are entitled to notice of and to vote at the Special Meeting or any adjournment thereof.

**All shareholders are cordially invited to attend the Special Meeting. In order to avoid delay and additional expense for the Funds, and to assure that your shares are represented, please vote as promptly as possible, whether or not you plan to attend the Special 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

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**333 WEST WACKER DRIVE  
CHICAGO, ILLINOIS 60606  
(800) 257-8787**

**PROXY STATEMENT/PROSPECTUS**

**NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND (NEA)  
NUVEEN INSURED FLORIDA TAX-FREE ADVANTAGE MUNICIPAL FUND (NWF)**

**APRIL , 2009**

This Proxy Statement/Prospectus is being furnished to the shareholders of Nuveen Insured Tax-Free Advantage Municipal Fund ( National Fund or Acquiring Fund ), a closed-end management investment company, and Nuveen Insured Florida Tax-Free Advantage Municipal Fund ( Florida Fund or Acquired Fund and, together with the Acquiring Fund, the Funds ), a closed-end management investment company, in connection with the solicitation of proxies by each Fund's Board of Trustees (each a Board and each Trustee a Board Member ) for use at the Special Meeting of Shareholders of each Fund to be held on Friday, May 15, 2009, at 2:00 p.m., Central time, and at any and all adjournments thereof (the Special Meeting ). The enclosed proxy and this Proxy Statement/Prospectus are first being sent to shareholders of the Funds on or about April , 2009. Shareholders of record of the Funds as of the close of business on March 19, 2009 are entitled to notice of, and to vote at, the Special Meeting and any adjournment thereof. The enclosed proxy and this Proxy Statement/Prospectus are first being sent to shareholders of the Funds on or about April , 2009.

The purposes of the Special Meeting are:

For each Fund:

1. To approve an Agreement and Plan of Reorganization (the Agreement ), pursuant to which the Acquired Fund would (i) transfer all of its assets to the Acquiring Fund in exchange solely for common shares and Municipal Auction Rate Cumulative Preferred shares ( MuniPreferred ), Series W2, of the Acquiring Fund and the Acquiring Fund's assumption of all the liabilities of the Acquired Fund, (ii) distribute such shares of the Acquiring Fund to the common shareholders and MuniPreferred, Series W, shareholders of the Acquired Fund and (iii) be liquidated, dissolved and terminated in accordance with the Acquired Fund's Declaration of Trust (collectively, the Reorganization ).

For common shareholders of the Acquiring Fund:

2. To approve the issuance of additional common shares of the Acquiring Fund in connection with the Reorganization.

The Agreement provides for (i) the Acquiring Fund's acquisition of all the assets of the Acquired Fund in exchange for newly issued common shares of the Acquiring Fund, par value \$0.01 per share ( Acquiring Fund Common Shares ), and newly issued MuniPreferred, Series W2, of the Acquiring Fund, with a par value of \$0.01 per share and liquidation preference of \$25,000 per share ( Acquiring Fund MuniPreferred Shares ), and the Acquiring Fund's assumption of all the liabilities of the Acquired Fund, (ii) the distribution of the Acquiring Fund Common Shares and Acquiring Fund MuniPreferred Shares held by the Acquired Fund to its common and MuniPreferred shareholders, respectively, and (iii) the liquidation, dissolution and termination of the Acquired Fund in accordance with the Acquired Fund's Declaration of Trust. The number of Acquiring Fund Common Shares to be issued to the Acquired Fund would be that number



having an aggregate per share net asset value equal to the aggregate value of the net assets of the Acquired Fund transferred to the Acquiring Fund. The aggregate net asset value of Acquiring Fund Common Shares received in the Reorganization will equal the aggregate net asset value of Acquired Fund common shares held immediately prior to the Reorganization. Prior to the closing of each Reorganization, the net asset value of the Acquired Fund and Acquiring Fund will be reduced by the costs of the Reorganization borne by such Fund. Shareholders of Acquired Fund MuniPreferred, Series W, will receive the same number of Acquiring Fund MuniPreferred, Series W2. The aggregate liquidation preference of the Acquiring Fund MuniPreferred Shares received in the Reorganization will equal the aggregate liquidation preference of the Acquired Fund MuniPreferred held immediately prior to the Reorganization. The Acquiring Fund will continue to operate after the Reorganization as a registered closed-end investment company with the investment objectives and policies described in this Proxy Statement/Prospectus.

In connection with the Reorganization, common shareholders of the Acquiring Fund are being asked to approve the issuance of additional Acquiring Fund Common Shares.

The Board of each Fund has determined that including all proposals in one Proxy Statement/Prospectus will reduce costs and is in the best interests of each Fund.

In the event that each Fund's shareholders do not approve the Reorganization or that the Acquiring Fund common shareholders do not approve the issuance of Acquiring Fund Common Shares, the Acquired Fund will continue to exist and the Board of the Acquired Fund will consider what additional action to take, if any.

This Proxy Statement/Prospectus concisely sets forth the information shareholders of the Funds should know before voting on the proposals and constitutes an offering of common shares and MuniPreferred, Series W2, of the Acquiring Fund only. Please read it carefully and retain it for future reference.

The following documents have been filed with the Securities and Exchange Commission ( SEC ) and are incorporated into this Proxy Statement/Prospectus by reference:

- (i) the Statement of Additional Information relating to the proposed Reorganization, dated April , 2009 (the Reorganization SAI );
- (ii) the audited financial statements and related independent registered public accounting firm's report for the Acquiring Fund and the financial highlights for the Acquiring Fund contained in the Fund's Annual Report for the fiscal year ended October 31, 2008;
- (iii) the audited financial statements and related independent registered public accounting firm's report for the Acquired Fund and the financial highlights for the Acquired Fund contained in the Fund's Annual Report for the fiscal year ended April 30, 2008; and
- (iv) the unaudited financial statements and the financial highlights for the Acquired Fund contained in the Fund's Semi-Annual Report for the period ended October 31, 2008.

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

Copies of the foregoing may be obtained without charge by calling or writing the Funds at the telephone number or address shown above. If you wish to request the Reorganization SAI, please ask for the Reorganization SAI. In addition, the Acquiring Fund will furnish, without charge, a copy



of its most recent annual report and subsequent semiannual report to a shareholder upon request. Any such request should be directed to the Acquiring Fund by calling (800) 257-8787 or by writing the Acquiring Fund at 333 West Wacker Drive, Chicago, Illinois 60606.

The Funds are both closed-end management investment companies, with similar objectives and policies primarily to provide current income exempt from regular federal income tax and the alternative minimum tax applicable to individuals and enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Funds' investment adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued, and in the case of the Acquired Fund, the Fund's shares to be exempt from the Florida intangible personal property tax. The Acquiring Fund is a diversified management investment company and the Acquired Fund is a non-diversified management investment company.

The Funds are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and the Investment Company Act of 1940, as amended (the 1940 Act), and in accordance therewith file reports and other information with the SEC. Reports, proxy statements, registration statements and other information filed by the Funds (including the Registration Statement relating to the Acquiring Fund on Form N-14 of which this Proxy Statement/Prospectus is a part) may be inspected without charge and copied (for a duplication fee at prescribed rates) at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549 or at the SEC's Northeast Regional Office (3 World Financial Center, New York, New York 10281) or Midwest Regional Office (175 W. Jackson Boulevard, Suite 900, Chicago, Illinois 60604). You may call the SEC at (202) 551-5850 for information about the operation of the public reference room. You may obtain copies of this information, with payment of a duplication fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC's Public Reference Branch, Office of Consumer Affairs and Information Services, Securities and Exchange Commission, Washington, D.C. 20549. You may also access reports and other information about the Funds on the EDGAR database on the SEC's Internet site at <http://www.sec.gov>.

The shares of the Funds are listed on the NYSE Alternext US (NYSE Alternext); reports, proxy statements and other information concerning the Acquired Fund can be inspected at the offices of the NYSE Alternext, 11 Wall Street, New York, New York 10005.

This Proxy Statement/Prospectus serves as a prospectus of the Acquiring Fund in connection with the issuance of the Acquiring Fund Common Shares and the Acquiring Fund MuniPreferred Shares in the Reorganization. No person has been authorized to give any information or make any representation not contained in this Proxy Statement/Prospectus and, if so given or made, such information or representation must not be relied upon as having been authorized. This Proxy Statement/Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction in which, or to any person to whom, it is unlawful to make such offer or solicitation.

**The Securities and Exchange Commission has not approved or disapproved these securities or determined whether the information in this Proxy Statement/Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**



**PROXY STATEMENT/PROSPECTUS**

**APRIL , 2009**

**NUVEEN INSURED TAX-FREE ADVANTAGE MUNICIPAL FUND (NEA)  
NUVEEN INSURED FLORIDA TAX-FREE ADVANTAGE MUNICIPAL FUND (NWF)**

**TABLE OF CONTENTS**

SUMMARY	1
Proposal 1: The Reorganization	1
Background and Reasons for the Reorganization	1
Certain Federal Income Tax Consequences of the Reorganization	4
Comparison of the Acquiring Fund and the Acquired Fund	4
Capitalization	7
Comparative Performance Information	9
Proposal 2: Issuance of Additional Acquiring Fund Common Shares	10
RISK FACTORS	11
Differences in Risks	11
Similarity of Risks	14
THE SPECIAL MEETING	23
General	23
Voting; Proxies	24
PROPOSAL NO. 1 THE REORGANIZATION (SHAREHOLDERS OF EACH FUND)	24
General	25
Terms of the Reorganization	25
Reasons for the Reorganization	27
Votes Required	30
Description of Common Shares Issued by the Acquiring Fund	30
Comparison of Rights of Holders of Common Shares of the Acquiring Fund and the Acquired Fund	33
Description of MuniPreferred Issued by the Acquiring Fund	33
The Auction	44
Comparison of Rights of Holders of MuniPreferred of the Acquiring Fund and the Acquired Fund	48
Comparison of the Investment Objectives and Policies of the Acquiring Fund and the Acquired Fund	48
How the Funds Manage Risk	61
Certain Provisions in the Acquiring Fund's Declaration of Trust and By-Laws	65
Expenses Associated with the Reorganization	67
Dissenting Shareholders' Rights of Appraisal	67
Certain Federal Income Tax Consequences of the Reorganization	67

PROPOSAL NO. 2. ISSUANCE OF ADDITIONAL ACQUIRING FUND COMMON SHARES (ACQUIRING FUND COMMON SHAREHOLDERS ONLY)	69
MANAGEMENT OF THE FUNDS	70
Board Members and Officers	70
Investment Adviser	70
Portfolio Management	72
ADDITIONAL INFORMATION ABOUT THE FUNDS	73
General History	73
Shareholders of the Acquiring Fund and the Acquired Fund	75
Repurchase of Common Shares; Conversion to Open-End Fund	76
Custodian, Transfer Agent, Dividend Disbursing Agent and Redemption Agent	77
Federal Income Tax Matters Associated with Investment in the Funds	77
NET ASSET VALUE	79
LEGAL OPINIONS	80
EXPERTS	80
SHAREHOLDER PROPOSALS	80
GENERAL	81

## SUMMARY

The following is a summary of certain information contained elsewhere in this Proxy Statement/Prospectus and is qualified in its entirety by reference to the more complete information contained in this Proxy Statement/Prospectus and in the Reorganization SAI and the appendices thereto. Shareholders should read the entire Proxy Statement/Prospectus carefully. Certain capitalized terms used but not defined in this summary are defined elsewhere in the text of this Proxy Statement/Prospectus or in the Acquiring Fund's Statement Establishing and Fixing the Rights and Preferences of Municipal Auction Rate Cumulative Preferred Shares (the "Acquiring Fund Statement") attached as Appendix A to the Reorganization SAI.

### Proposal 1: The Reorganization

If the shareholders of each Fund approve the Reorganization and the common shareholders of the Acquiring Fund approve the issuance of additional Acquiring Fund Common Shares (see "Proposal 2: Issuance of Additional Acquiring Fund Common Shares"): (i) the Acquiring Fund will acquire all the assets of the Acquired Fund in exchange for newly issued Acquiring Fund Common Shares and newly issued Acquiring Fund MuniPreferred Shares, and the Acquiring Fund's assumption of all the liabilities of the Acquired Fund, (ii) the distribution of the Acquiring Fund Common Shares and Acquiring Fund MuniPreferred Shares held by the Acquired Fund to its common and preferred shareholders, respectively and (iii) the liquidation, dissolution and termination of the Acquired Fund in accordance with the Acquired Fund's Declaration of Trust. The number of Acquiring Fund Common Shares to be issued to the Acquired Fund would be that number having an aggregate per share net asset value equal to the aggregate value of the net assets of the Acquired Fund transferred to the Acquiring Fund. The aggregate net asset value of Acquiring Fund Common Shares received in the Reorganization will equal the aggregate net asset value of Acquired Fund common shares held immediately prior to the Reorganization. Prior to the closing of each Reorganization, the net asset value of the Acquired Fund and Acquiring Fund will be reduced by the costs of the Reorganization borne by such Fund. The number of Acquiring Fund MuniPreferred Shares to be issued to the Acquired Fund would be that number of shares of Acquiring Fund MuniPreferred Shares as was held of Acquired Fund MuniPreferred Shares, Series W. The aggregate liquidation preference of the Acquiring Fund MuniPreferred Shares received in the Reorganization will equal the aggregate liquidation preference of the Acquired Fund MuniPreferred shares held immediately prior to the Reorganization.

The Board of each Fund, including the trustees who are not interested persons, as defined in the 1940 Act, of each Fund, has unanimously approved the Reorganization. **The Board of each Fund recommends that the shareholders vote FOR the approval of the Reorganization.** See "Proposal No. 1 The Reorganization."

### Background and Reasons for the Reorganization

The Board's recommendation of the Reorganization reflects various considerations, among them: (i) the price level at which the Acquired Fund's common shares have traded over time in relation to their underlying net asset value on an absolute basis as well as relative to other closed-end funds; (ii) prior efforts to enhance, over time, the secondary market for the Acquired Fund's common shares, including investment strategies aimed at increasing common net earnings as well as common share repurchases; and (iii) the repeal of Florida's intangible

personal property tax which eliminated the state tax benefit to a Florida resident of owning a Florida-specific portfolio of municipal bonds. The Board of Trustees of the Acquiring Fund and the Acquired Fund believes the proposed merger is in the best interests of the Acquiring Fund and the Acquired Fund, respectively.

As a result of the Reorganization, the net assets of the Acquiring Fund and the Acquired Fund would be combined and the shareholders of the Acquired Fund would become shareholders of the Acquiring Fund. The investment objectives and policies of the Funds are similar except that the Acquired Fund invests in municipal bonds that are exempt from the Florida intangible personal property tax and concentrates its assets in municipal bonds generally issued by the State of Florida, a municipality in Florida, or a political subdivision or agency or instrumentality of such State or municipality ( Florida municipal bonds ). The Board Members and officers of the larger combined entity would be identical to those of the Funds. The general portfolio characteristics of the larger combined entity would be similar to both Funds.

The Board of each Fund believes that the proposed Reorganization would be in the best interests of the Funds. In approving the Reorganization, the Boards considered information presented at the Board's meeting or earlier meetings regarding the Funds, the proposed Reorganization and a number of factors, including, among other things:

- the secondary market trading history of the Funds (i.e., the price level at which the Funds' shares have traded over time in relation to their underlying net asset value on an absolute basis and as compared to other closed-end funds) and prior efforts to enhance the secondary market for the common shares of the Acquired Fund;
- the elimination of the Florida intangibles tax;
- the compatibility of the investment objectives, policies and strategies of the Funds;
- the potential opportunities to refinance MuniPreferred;
- the relative fees and operating expense ratios of the Funds, including reimbursement of the Funds' expenses agreed to by each Funds' adviser;
- the investment performance of the Funds;
- the anticipated tax-free nature of the Reorganization;
- the expected costs of the Reorganization and the extent to which the Funds would bear any such costs;
- the terms of the Reorganization and whether the Reorganization would dilute the interests of shareholders of the Funds; and
- any potential benefits of the Reorganization to the adviser as a result of the Reorganization.

In approving the Reorganization, the Boards considered, in particular, the following potential benefits:

*Expected lower fees and operating expenses.* After the Reorganization, the combined fund is expected to have lower fees and operating expenses per common share, excluding costs of leverage, than the Acquiring Fund and Acquired Fund from achieving greater economies of scale as the larger asset size of the combined fund is expected to



result in a lower management fee rate and allow for the fixed operating costs to be spread over a larger asset base.

*Enhanced relative investment performance.* The combined fund is estimated to have an increase in common net earnings after the Reorganization compared to that of the Acquiring Fund and Acquired Fund and expected to have expanded opportunities for enhanced total returns due to the larger asset base (and in relation to the Acquired Fund, a nationally-diversified portfolio).

*Improved secondary market trading.* The estimated higher common net earnings, expected enhanced total returns over time, and the larger asset base of the combined fund after the Reorganization may lead to higher common share market prices relative to net asset value and the combined fund's greater market liquidity may lead to narrower bid-ask spreads and smaller trade-to-trade price movements. In addition, with respect to the Acquired Fund, the Board of the Acquired Fund also considered that a broader potential investor base of a national fund may also promote a higher common share price to net asset value.

*Expanded MuniPreferred refinancing opportunities.* After the Reorganization, the larger asset size of the combined fund may increase the ability to refinance the MuniPreferred with tender option bonds ( TOBs ). The greater portfolio diversification of the Acquiring Fund compared to the Acquired Fund may also enhance the combined fund's ability to refinance the MuniPreferred compared to that of the Acquired Fund. The Boards also considered that such refinancings may provide liquidity at par for MuniPreferred shareholders and lower the relative costs of leverage over time for common shareholders.

*Continuity of investment objectives and strategies.* The Boards considered the compatibility of the Funds investment objectives, policies and strategies except in relevant part, the Acquired Fund would invest primarily in municipal securities that pay interest exempt from an intangible personal property tax assessed by Florida on the value of stocks, bonds, other evidences of indebtedness and mutual fund shares. Florida repealed the intangible personal property tax in 2007 reducing the attractiveness of Florida bonds to investors formerly subject to the tax. Accordingly, a primary reason for the policy of the Acquired Fund to invest primarily in Florida municipal bonds was eliminated and the continuation of such policy is no longer necessary. With the Reorganization, the Acquired Fund common shareholders would be invested in a more diversified portfolio and their exposure to Florida obligations would decrease. In addition, both Funds have issued MuniPreferred to create leverage. Through the use of leverage, the Funds seek to enhance potential common share earnings over time by borrowing at short-term municipal rates and investing at long-term municipal rates which generally are higher. Although there are no assurances that the use of leverage will result in a higher yield or return to common shareholders, the Boards believe that the Acquiring Fund's use of leverage would continue to provide Acquired Fund common shareholders with the potential for higher monthly tax-exempt distributions and enhanced total returns on average over market cycles at a time when the municipal yield spreads are particularly wide or attractive. In addition, as discussed in more detail above, the larger asset base of the combined fund may increase its ability to refinance MuniPreferred with TOBs.

For a fuller discussion of the Board's considerations regarding the approval of the Reorganization, see Proposal No. 1 The Reorganization Reasons for the Reorganization.

### **Certain Federal Income Tax Consequences of the Reorganization**

The Reorganization is intended to qualify as a reorganization for federal income tax purposes. If the Reorganization so qualifies, neither the Acquired Fund nor its shareholders will recognize any gain or loss for federal income tax purposes as a direct result of the transfers contemplated by the Reorganization. See Proposal No. 1 The Reorganization Certain Federal Income Tax Consequences of the Reorganization.

### **Comparison of the Acquiring Fund and the Acquired Fund**

*General.* The Acquiring Fund and the Acquired Fund are both closed-end management investment companies. The Acquiring Fund is a diversified management investment company and the Acquired Fund is a non-diversified management investment company. The Acquiring Fund common shares are listed and trade on the NYSE Alternext under the symbol NEA and the Acquired Fund common shares are listed and trade on the NYSE Alternext under the symbol NWF. The Acquiring Fund and the Acquired Fund are organized as business trusts under the laws of the Commonwealth of Massachusetts. The common shares of each Fund have equal voting rights and equal rights with respect to the payment of dividends and distribution of assets upon liquidation and have no preemptive, conversion or exchange rights or rights to cumulative voting. All outstanding shares of Acquiring Fund MuniPreferred and Acquired Fund MuniPreferred are rated AAA by S&P and Aaa by Moody's. The Acquiring Fund MuniPreferred Shares issued to the Acquired Fund pursuant to the Reorganization will have rights and preferences, including liquidation preferences, that are substantially similar to those of the outstanding shares of Acquired Fund MuniPreferred. See Proposal No. 1 The Reorganization.

*Investment Objectives and Policies.* The Acquiring Fund and Acquired Fund have similar investment objectives. Both Funds' investment objectives are to provide current income exempt from regular federal income tax and the alternative minimum tax applicable to individuals and enhance portfolio value relative to the municipal bond market by investing in tax-exempt municipal bonds that the Funds' investment adviser believes are underrated or undervalued or that represent municipal market sectors that are undervalued. The Acquired Fund's shares will also be exempt from the Florida intangible personal property tax.

The Acquiring Fund and Acquired Fund also have similar investment policies. The Acquiring Fund, under normal circumstances, will invest at least 80% of its net assets, including assets attributable to any principal amount of any borrowings (including the issuance of commercial paper or notes) or preferred shares outstanding (Acquiring Managed Assets), in a portfolio of securities that pay interest exempt from federal income taxes (municipal securities) and from the federal alternative minimum tax applicable to individuals. The Acquired Fund, under normal circumstances, will invest at least 80% of its average daily net assets, including assets attributable to any MuniPreferred shares that may be outstanding (Acquired Managed Assets) in a portfolio of municipal bonds that pay interest that is exempt from regular federal income tax and from the federal alternative minimum tax applicable to individuals, are exempt from the Florida intangible personal property tax, and are covered by insurance guaranteeing the timely payment of principal and interest thereon. The primary difference between the Funds' stated policies is that the Acquired Fund invests substantially all of its

assets in municipal bonds that are exempt from the Florida intangible personal property tax and therefore concentrates its assets in Florida municipal bonds. Effective January 1, 2007, the State of Florida repealed the state's intangible personal property tax, which eliminated the state tax benefit to a Florida resident of owning a Florida-specific portfolio of municipal bonds. See *Reasons for the Reorganization - Elimination of the Florida Intangibles Tax*.

*Board Members and Officers.* The Acquiring Fund and the Acquired Fund have the same Board Members and officers. The management of each Fund, including general supervision of the duties performed by the Adviser (as defined below) under the Investment Management Agreement for each Fund, is the responsibility of its Board. There are currently nine (9) trustees of the Funds, one (1) of whom is an interested person (as defined in the 1940 Act) and eight (8) of whom are not interested persons (the independent trustees). The names and business addresses of the trustees and officers of the Funds and their principal occupations and other affiliations during the past five years are set forth under *Management* in the Reorganization SAI incorporated herein by reference.

*Investment Adviser.* Nuveen Asset Management (the Adviser or NAM) is responsible for investing each Fund's net assets. NAM oversees the management of the Funds' portfolios, manages the Funds' business affairs and provides certain clerical, bookkeeping and other administrative services. NAM is located at 333 West Wacker Drive, Chicago, Illinois 60606.

NAM, a registered investment adviser, is a wholly owned subsidiary of Nuveen Investments, Inc. (Nuveen Investments). Founded in 1898, Nuveen Investments and its affiliates had approximately \$119 billion of assets under management as of December 31, 2008. On November 13, 2007, Nuveen Investments was acquired by investors led by Madison Dearborn Partners, LLC. Madison Dearborn Partners, LLC is a private equity investment firm based in Chicago, Illinois. See *Management of the Funds-Investment Adviser*.

The portfolio manager for the Acquiring Fund is Paul Brennan, CFA, CPA. Mr. Brennan manages several national open- and closed-end funds. Mr. Brennan began his career in the investment business in 1991 when he was a municipal credit analyst, then became a portfolio manager in 1994. He joined Nuveen Investments in 1997 while at Flagship Financial which Nuveen acquired. He earned his BS in Accountancy and Finance from Wright State University. He is a CPA, has earned the Chartered Financial Analyst designation, and currently sits on the Nuveen Asset Management Investment Management Committee. Prior to joining Flagship, Paul was employed at Deloitte & Touche within the audit group which participated in auditing mutual funds and investment advisers.

The portfolio manager for the Acquired Fund is Daniel Close, CFA. Mr. Close joined Nuveen Investments in 2000 as a member of Nuveen's product management and development team, where he was responsible for the oversight and development of Nuveen's mutual fund product line. He then served as a research analyst for Nuveen's municipal investing team, covering corporate-backed, energy, transportation and utility credits. He received his BS in Business from Miami University and his MBA from Northwestern University's Kellogg School of Management. Mr. Close has earned the Chartered Financial Analyst designation.

Pursuant to an Investment Management Agreement between the Adviser and each Fund, each Fund pays an annual management fee for the services and facilities furnished by the Adviser on a monthly basis at the following annual rates:

**Management Fee Schedule**

<b>Average Daily Net Assets (including net assets attributable to preferred shares)</b>	<b>Rate</b>
Up to \$125 million	0.4500%
\$125 to \$250 million	0.4375%
\$250 to \$500 million	0.4250%
\$500 million to \$1 billion	0.4125%
\$1 billion to \$2 billion	0.4000%
\$2 billion and over	0.3750%

In addition to the fund-level fee, each Fund pays a complex-level fee. The complex-level fee is the same for each Fund and begins at a maximum rate of 0.20% of each Fund's net assets, based upon complex-level assets of \$55 billion, with breakpoints for assets above that level. Therefore, the maximum management fee rate for each Fund is the fund-level fee plus 0.20%. As of December 31, 2008, the effective complex-level fee for each Fund was 0.20% of net assets. See Management of the Funds Investment Adviser.

The Acquiring Fund paid aggregate management fees of \$2,527,989 for the fiscal year ended October 31, 2008, for an effective management fee rate of 0.96% based on net assets applicable to common shares (0.62% based on managed assets). The Acquired Fund paid aggregate management fees of \$534,685 for the fiscal year ended April 30, 2008, for an effective management fee rate of 0.97% based on net assets applicable to common shares (0.63% based on managed assets).

*Dividends and Distributions.* The Funds have identical dividend policies with respect to the payment of dividends on their common shares. Each Fund's present policy, which may be changed by its Board, is to make regular monthly cash distributions to holders of its common shares at a level rate (stated in terms of a fixed cents per common share dividend rate) that reflects the past and projected performance of the Fund. Distributions can only be made from net investment income after paying any accrued dividends to MuniPreferred shareholders. Each Fund's ability to maintain a level dividend rate will depend on a number of factors, including dividends payable on the MuniPreferred shares. The net investment income of each Fund generally consists of all interest income accrued on portfolio assets less all expenses of the Fund. Over time, all the net investment income of each Fund will be distributed. At least annually, each Fund also intends to distribute net capital gain and ordinary taxable income, if any, after paying any accrued dividends or making any liquidation payments to MuniPreferred shareholders. Holders of common shares of each Fund may elect to have all distributions automatically reinvested in common shares of the Fund pursuant to that Fund's Dividend Reinvestment Plan. See Proposal No. 1 The Reorganization Description of Common Shares Issued by the Acquiring Fund Distributions a