NUVEEN MUNICIPAL HIGH INCOME OPPORTUNITY FUND
Form 486BPOS
February 10, 2017

As filed with the U.S. Securities and Exchange Commission on February 10, 2016

1933 Act File No. 333-211793

1940 Act File No. 811-21449

U.S. SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

(Check appropriate box or boxes)

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Pre-Effective Amendment No.

Post-Effective Amendment No. 1

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 35

Nuveen Municipal High Income Opportunity Fund

(Exact name of Registrant as Specified in Charter)

333 West Wacker Drive, Chicago, Illinois 60606

(Address of Principal Executive Offices)

(Number, Street, City, State, Zip Code)

(800) 257-8787

(Registrant s Telephone Number, including Area Code)

Gifford R. Zimmerman

Vice President and Secretary

333 West Wacker Drive

Chicago, Illinois 60606

Name and Address (Number, Street, City, State, Zip Code) of Agent for Service

Copy to:

Thomas S. Harman

Morgan, Lewis & Bockius LLP

1111 Pennsylvania Avenue NW

Washington, DC 20004

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If the securities being registered on this form will be offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box.

It is proposed that this filing will become effective (check appropriate box)

When declared effective pursuant to section 8(c)

Immediately upon filing pursuant to no-action relief granted to Registrant on November 9, 2010.

PROSPECTUS

5.5 Million Common Shares

Nuveen Municipal High Income Opportunity Fund

Nuveen Municipal High Income Opportunity Fund (the Fund) is a diversified, closed-end management investment company. The Fund s primary investment objective is to provide high current income exempt from regular federal income tax. The Fund s secondary investment objective is to seek attractive total return consistent with its primary objective. The Fund cannot assure you that it will achieve its investment objectives.

Investing in the Fund s common shares involves certain risks that are described in the Risk Factors section of this Prospectus (the Prospectus), including the specific risks relating to the Fund s use of leverage.

Neither the U.S. Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

You should read this Prospectus, which contains important information about the Fund, before deciding whether to invest and retain it for future reference. A Statement of Additional Information (the SAI), dated February 10, 2017, containing additional information about the Fund, has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the SAI, the table of contents of which is on the last page of this Prospectus, annual and semi-annual reports to shareholders and other information about the Fund, and make shareholder inquiries by calling (800) 257-8787, by writing to the Fund or from the Fund s website (http://www.nuveen.com). The information contained in, or that can be accessed through, the Fund s website is not part of this Prospectus. You also may obtain a copy of the SAI (and other information regarding the Fund) from the SEC s web site (http://www.sec.gov).

The Fund s Common Shares do not represent a deposit or obligation of, and are not guaranteed or endorsed by, any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

Portfolio Contents. The Fund invests at least 80% of its Managed Assets (as defined under Investment Objectives and Policies in the Prospectus Summary), plus the amount of any borrowings for investment purposes, in investments the income from which is exempt from regular federal income tax. Under normal circumstances, the Fund expects to be fully invested (at least 95% of its Managed Assets) in such tax-exempt municipal securities. Up to 20% of the Fund s Managed Assets may be invested in municipal securities that pay interest that is taxable under the federal alternative minimum tax applicable to individuals, which creates an opportunity for increased Common Share net income and returns, but also creates special risks for Common Shareholders. Under normal circumstances, the Fund will invest at least 50% of its Managed Assets in investment grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by all nationally recognized statistical rating organizations (NRSROs) or are unrated but judged to be of comparable quality by Nuveen Asset

Management, LLC (Nuveen Asset Management), the Fund s sub-adviser. The Fund may invest up to 50% of its Managed Assets in municipal securities that at the time of investment are rated below investment grade or are unrated but judged to be of comparable quality by Nuveen Asset Management. No more than 10% of the Fund s Managed Assets may be invested in municipal securities rated below B3/B- by any NRSROs that rate the security or that are unrated by all NRSROs but judged to be of comparable quality by Nuveen Asset Management. Municipal securities of below investment grade quality are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds. The Fund may invest up to 15% of its Managed Assets in inverse floating rate securities. Currently, the Fund employs leverage through its investments in inverse floating rate securities and its outstanding Variable Rate MuniFund Term Preferred Shares (referred to herein as VMTP Shares).

Adviser and Sub-Adviser. Nuveen Fund Advisors, LLC, the Fund s investment adviser, is responsible for determining the Fund s overall investment strategies and their implementation. Nuveen Asset Management, LLC is the Fund s investment sub-adviser and oversees the day-to-day investment operations of the Fund.

The minimum price on any day at which Common Shares may be sold will not be less than the current net asset value per share plus the per share amount of the commission to be paid to Nuveen Securities, LLC (Nuveen Securities). The Fund and Nuveen Securities will suspend the sale of Common Shares if the per share price of the shares is less than the minimum price. The Fund currently intends to distribute the shares offered pursuant to this Prospectus primarily through at-the-market transactions, although from time to time it may also distribute shares through an underwriting syndicate or a privately negotiated transaction. To the extent shares are distributed other than through at-the-market transactions, the Fund will file a supplement to this Prospectus describing such transactions. For information on how Common Shares may be sold, see the Plan of Distribution section of this Prospectus.

As of February 3, 2017, the Fund has sold in this offering an aggregate of 521,476 Common Shares, representing net proceeds to the Fund of $6,850,113, after payment of commissions of $69,195 in the aggregate.

Common Shares are listed on the NYSE. The trading or ticker symbol of the Fund is NMZ. The Fund s closing price on the NYSE on February 3, 2017 was $13.03.

The date of this Prospectus is February 10, 2017

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You should rely only on the information contained or incorporated by reference into this Prospectus. The Fund has not authorized anyone to provide you with different information. The Fund is not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front of this Prospectus. The Fund will update this Prospectus to reflect any material changes to the disclosures herein.

PROSPECTUS SUMMARY

This is only a summary. You should review the more detailed information contained elsewhere in this Prospectus and in the Statement of Additional Information (the SAI).

The Fund

Nuveen Municipal High Income Opportunity Fund (the Fund) is a diversified, closed-end management investment company. See The Fund. The Fund s common shares, $.01 par value (Common Shares), are traded on the New York Stock Exchange (NYSE) under the symbol NMZ. See Description of Common Shares. As of December 31, 2016, the Fund had 57,758,581 Common Shares outstanding, 870 shares of Variable Rate MuniFund Term Preferred Shares (referred to herein as VMTP Shares), and net assets applicable to Common Shares of $742,893,558.

Investment Objectives and Policies

The Fund s primary investment objective is to provide high current income exempt from regular federal income tax. The Fund s secondary investment objective is to seek attractive total return consistent with its primary objective. The Fund cannot assure you that it will achieve its investment objectives.

The Fund seeks to achieve its investment objectives primarily by investing at least 80% of its Managed Assets (defined below), plus the amount of any borrowings for investment purposes, in investments the income from which is exempt from regular federal income tax. Under normal circumstances, the Fund expects to be fully invested (at least 95% of its Managed Assets) in various municipal securities that provide for the payment of interest income that is exempt from regular federal income tax. Up to 20% of the Fund s Managed Assets may be invested in municipal securities that pay interest that is taxable under the federal alternative minimum tax applicable to individuals. For a discussion of how the federal alternative minimum tax may affect shareholders, see Tax Matters.

The Fund may invest in various municipal securities, including municipal bonds and notes, other securities issued to finance and refinance public projects, and other related securities and derivative instruments creating exposure to municipal securities that provide for the payment of interest income that is exempt from regular federal income tax (as used in this document, the term municipal securities refers to all such investments collectively). Municipal securities are often issued by state and local governmental entities to finance or refinance public projects, such as roads, schools, and water supply systems. Municipal securities also may be issued on behalf of private entities or for private activities, such as housing, medical and educational facility construction, or for privately owned transportation, electric utility and pollution control projects. Municipal securities may be issued on a long-term basis to provide long-term financing. The repayment of such debt may be secured generally by a pledge of the full faith and credit taxing power of the issuer, a limited or special tax, or any other revenue source, including project revenues, which may include tolls, fees and other user charges, lease payments, and mortgage payments. Municipal securities also may be issued to finance projects on a short-term interim basis, anticipating repayment with the proceeds of the later issuance of long-term debt. The Fund may purchase municipal securities in the form of bonds, notes, leases or certificates of participation; structured as callable or non-callable; with payment forms that include fixed coupon, variable rate, zero coupon, capital appreciation bonds, tender option bonds, and inverse floating rate securities. Such municipal securities also may be acquired through investments in pooled vehicles, partnerships, or other investment companies. See The Fund s Investments Municipal Securities for additional information on the types of municipal securities in which the Fund may invest.

Managed Assets means the total assets of the Fund, minus the sum of its accrued liabilities (other than Fund liabilities incurred for the express purpose of creating leverage). Total assets for this purpose shall include assets attributable to the Fund s use of effective leverage (whether or not those assets are reflected in the Fund s financial statements for purposes of generally accepted accounting principles), such as, but not limited to, the portion of assets in special purpose trusts of which the Fund owns the inverse floater certificates that has been effectively financed by the trust s issuance of floating rate certificates. The Fund seeks to achieve its investment objectives by investing in municipal securities that Nuveen Asset Management (defined below under Sub-Adviser) believes are underrated and undervalued. The Fund s investment objectives and certain investment policies identified as such are considered fundamental and may not be changed without shareholder approval.

Under normal circumstances, the Fund will invest at least 50% of its Managed Assets in investment grade securities that, at the time of investment, are rated within the four highest grades (Baa or BBB or better) by all nationally recognized statistical rating organizations (NRSROs) or are unrated but judged to be of comparable quality by Nuveen Asset Management. The Fund may invest up to 50% of its Managed Assets in municipal securities that at the time of investment are rated below investment grade or are unrated but judged to be of comparable quality by Nuveen Asset Management. No more than 10% of the Fund s Managed Assets may be invested in municipal securities rated below B3/B- by any NRSROs that rate the security or that are unrated by all NRSROs but judged to be of comparable quality by Nuveen Asset Management. Municipal securities of below investment grade quality are regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal, and are commonly referred to as junk bonds. The Fund may invest up to 15% of its Managed Assets in inverse floating rate securities.

As of October 31, 2016, approximately 53% of the Fund s total investment exposure were invested in municipal securities rated investment grade (using the lowest of Standard & Poor s Corporation Ratings Group, a division of The McGraw-Hill Companies (S&P), Moody s Investors Services, Inc. (Moody s) or Fitch Ratings, Inc. (Fitch) ratings). The relative percentages of the value of the investments attributable to investment grade municipal securities and to below investment grade municipal securities could change over time as a result of rebalancing the Fund s assets by Nuveen Asset Management, market value fluctuations, issuance of additional shares and other events.

As of December 31, 2016, the effective maturity of the Fund s portfolio was 22.19 years. The Fund will generally invest in municipal securities with an average effective maturity of 15 to 30 years, including the effects of leverage, but it may be shortened or lengthened depending on market conditions and on an assessment by the Fund s portfolio manager of which segments of the municipal securities market offer the most favorable relative investment values and opportunities for tax-exempt income and total return.

The Fund also may invest in certain derivative instruments in pursuit of its investment objectives. Such instruments include financial futures contracts, swap contracts (including interest rate and credit default swaps), options on financial futures, options on swap contracts, or other derivative instruments. Nuveen Asset Management may use derivative instruments to seek to enhance return, to hedge some of the risk of the Fund s investments in municipal securities or as a substitute for a position in the underlying asset. These types of strategies may generate taxable income. See The Fund s Investments Municipal Securities Derivatives.

See The Fund s Investments and Risk Factors.

Investment Adviser

Nuveen Fund Advisors, LLC (NFALLC), the Fund s investment adviser, offers advisory and investment management services to a broad range of investment company clients. NFALLC has overall responsibility for management of the Fund, oversees the management of the Fund s portfolio, manages the Fund s business affairs and provides certain clerical, bookkeeping and other administrative services. NFALLC is located at 333 West Wacker Drive, Chicago, Illinois 60606. NFALLC is a subsidiary of Nuveen, LLC (Nuveen), the investment management arm of Teachers Insurance and Annuity Association of America (TIAA). TIAA is a life insurance company founded in 1918 by the Carnegie Foundation for the Advancement of Teaching and is the companion organization of College Retirement Equities Fund. As of December 31, 2016, Nuveen managed approximately $882 billion in assets, of which approximately $126 billion was managed by NFALLC.

Sub-Adviser

Nuveen Asset Management, LLC (Nuveen Asset Management) serves as the Fund s sub-adviser and is a wholly-owned subsidiary of NFALLC. Nuveen Asset Management is a registered investment adviser. Nuveen Asset Management oversees the day-to-day investment operations of the Fund.

Nuveen Securities, LLC (Nuveen Securities), a registered broker-dealer affiliate of NFALLC and Nuveen Asset Management, is involved in the offering of the Fund s Common Shares. See Plan of Distribution-Distribution Through At-The-Market Transactions.

Use of Leverage

The Fund uses leverage to seek to enhance total returns. Currently, the Fund employs leverage through its outstanding VMTP Shares, which have seniority over the Common Shares. The Fund also currently invests in residual interest certificates of tender option bond trusts, also called inverse floating rate securities, that have the economic effect of leverage because the Fund s investment exposure to the underlying bonds held by the trust have been effectively financed by the trust s issuance of floating rate certificates. See Inverse Floating Rate Securities and Risk Factors Inverse Floating Rate Securities. The combined economic effect of the total leverage used by the Fund is referred to herein as effective leverage.

As of December 31, 2016, the liquidation value of the VMTP Shares outstanding and the annual dividend rate on the VMTP Shares were $87 million and 1.61%, respectively. As of December 31, 2016, the Fund s effective leverage was approximately 36% of its Managed Assets.

The Fund, along with certain other funds managed by NFALLC (Participating Funds), participated in an unsecured line of credit under which outstanding balances would bear interest at a variable rate. The Fund, along with the Participating Funds, also established a 364-day, approximately $2.5 billion standby credit facility with a group of lenders, under which the Participating Funds may borrow for various purposes other than leveraging for investment purposes. A large portion of this facility s capacity is currently dedicated for use by a small number of Participating Funds, which does not include the Fund. The remaining capacity under the facility (and the corresponding portion of the facility s annual costs) is separately dedicated to most of the other open-end funds in the Nuveen fund family, along with a number of Nuveen closed-end funds, including the Fund. The credit facility expires in July 2017 unless extended or renewed.

Leverage involves special risks. See Risk Factors Leverage Risk. There is no assurance that the Fund s leveraging strategy will be successful. The Fund will seek to invest the proceeds of any future offerings in a manner consistent with the Fund s investment objectives and policies. See Use of Leverage.

The Fund pays a management fee to NFALLC (which in turn pays a portion of its fee to the Fund s sub-adviser, Nuveen Asset Management) based on a percentage of Managed Assets. Managed Assets include the proceeds realized and managed from the Fund s use of leverage as set forth in the Fund s investment management agreement. Because Managed Assets include the Fund s net assets as well as assets that are attributable to the Fund s use of leverage, it is anticipated that the Fund s Managed Assets will be greater than its net assets. NFALLC and Nuveen Asset Management are responsible for using leverage to pursue the Fund s investment objectives, and base their decision regarding whether and how much leverage to use for the Fund on their assessment of whether use of such leverage will advance the Fund s investment objectives. However, the fact that a decision to increase the Fund s leverage will have the effect, all other things being equal, of increasing Managed Assets and therefore NFALLC s and Nuveen Asset Management s fees means that NFALLC and Nuveen Asset Management may have a conflict of interest in determining whether to increase the Fund s use of leverage. NFALLC and Nuveen Asset Management will seek to manage that potential conflict by only increasing the Fund s use of leverage when they determine that such increase is in the Fund s best interests and consistent with the Fund s investment objective, and by periodically reviewing the Fund s performance and use of leverage with the Fund s Board of Trustees.

Offering Methods

The Fund may offer shares using one or more of the following methods: (i) at-the-market transactions through one or more broker-dealers that have entered into a selected dealer agreement with Nuveen Securities, one of the Fund s underwriters; (ii) through an underwriting syndicate; and (iii) through privately negotiated transactions between the Fund and specific investors. See Plan of Distribution.

Distribution Through At-The-Market Transactions. The Fund, from time to time, may issue and sell its Common Shares through Nuveen Securities to certain broker-dealers that have entered into selected dealer agreements with Nuveen Securities. Currently, Nuveen Securities has entered into a selected dealer agreement with UBS Securities LLC (UBS) pursuant to which UBS will be acting as Nuveen Securities sub-placement agent with respect to at-the-market offerings of Common Shares. Common Shares will only be sold on such days as shall be agreed to by the Fund, Nuveen Securities and UBS. Common Shares will be sold at market prices, which shall be determined with reference to trades on the NYSE, subject to a minimum price to be established each day by Nuveen Securities. The minimum price on any day will not be less than the current net asset value per share plus the per share amount of the commission to be paid to Nuveen Securities. The Fund and Nuveen Securities will suspend the sale of Common Shares if the per share price of the shares is less than the minimum price.

The Fund will compensate Nuveen Securities with respect to sales of the Common Shares at a commission rate of up to 1.0% of the gross proceeds of the sale of Common Shares. Nuveen Securities will compensate sub-placement agents or other broker-dealers participating in the offering at a rate of up to 0.8% of the gross sales proceeds of the sale of Common Shares sold by that sub-placement agent or other broker-dealer. Settlements of Common Share sales will occur on the third business day following the date of sale.

In connection with the sale of the Common Shares on behalf of the Fund, Nuveen Securities may be deemed to be an underwriter within the meaning of the Securities Act of 1933, as amended (the 1933 Act), and the compensation of Nuveen Securities may be deemed to be underwriting commissions or discounts. Unless otherwise indicated in a further Prospectus supplement, Nuveen Securities will act as underwriter on a reasonable efforts basis.

The offering of Common Shares pursuant to the Distribution Agreement (defined below under Plan of Distribution Distribution Through At-The-Market Transactions) will terminate upon the earlier of (i) the sale of all Common Shares subject thereto or (ii) termination of the Distribution Agreement. The Fund and Nuveen Securities each have the right to terminate the Distribution Agreement in its discretion at any time. See Plan of Distribution Distribution Through At-The-Market-Transactions.

The Fund currently intends to distribute the shares offered pursuant to this Prospectus primarily through at-the-market transactions, although from time to time it may also distribute shares through an underwriting syndicate or a privately negotiated transaction. To the extent shares are distributed other than through at-the-market transactions, the Fund will file a supplement to this Prospectus describing such transactions.

The Fund s closing price on the NYSE on February 3, 2017 was $13.03.

UBS, its affiliates and their respective employees hold or may hold in the future, directly or indirectly, investment interests in Nuveen Investments, Inc. (Nuveen Investments), and its funds. The interests held by employees of UBS or its affiliates are not attributable to, and no investment discretion is held by, UBS or its affiliates.

Distribution Through Underwriting Syndicates. The Fund, from time to time, may issue additional Common Shares through a syndicated secondary offering. In order to limit the impact on the market price of the Fund s Common Shares, underwriters will market and price the offering on an expedited basis (*e.g.*, overnight or similarly abbreviated offering period). The Fund will launch a syndicated offering on a day, and upon terms, mutually agreed upon between the Fund, Nuveen Securities and the underwriting syndicate.

The Fund will offer its shares at a price equal to a specified discount of up to 5% from the closing market price of the Fund s Common Shares on the day prior to the offering date. The applicable discount will be negotiated by the Fund and Nuveen Securities in consultation with the underwriting syndicate on a transaction-by-transaction basis. The Fund will compensate the underwriting syndicate out of the proceeds of the offering based upon a sales load of up to 4% of the gross proceeds of the sale of Common Shares. The minimum net proceeds per share to the Fund will not be less than the greater of (i) the Fund s latest net asset value per Common Share or (ii) 91% of the closing market price of the Fund s Common Shares on the day prior to the offering date. See Plan of Distribution Distribution Through Underwriting Syndicates.

Distribution Through Privately Negotiated Transactions. The Fund, through Nuveen Securities, from time to time may sell directly to, and solicit offers from, institutional and other sophisticated investors, who may be deemed to be underwriters as defined in the 1933 Act for any resale of Common Shares. No sales commission or other compensation will be paid to Nuveen Securities or any other FINRA member in connection with such transactions.

The terms of such privately negotiated transactions will be subject to the discretion of the management of the Fund. In determining whether to sell Common Shares through a privately negotiated transaction, the Fund will consider relevant factors including, but not limited to, the attractiveness of obtaining additional funds through the sale of Common Shares, the purchase price to apply to any such sale of Common Shares and the investor seeking to purchase the Common Shares.

Common Shares issued by the Fund through privately negotiated transactions will be issued at a price equal to the greater of (i) the net asset value per Common Share or (ii) at a discount ranging from 0% to 5% of the average daily closing market price of the Fund s Common Shares at the close of business on the two business days preceding the date upon which Common Shares are sold pursuant to the privately negotiated transaction. The applicable discount will be determined by the Fund on a transaction-by-transaction basis. See Plan of Distribution Distribution Through Privately Negotiated Transactions.

The principal business address of Nuveen Securities is 333 West Wacker Drive, Suite 3300, Chicago, Illinois 60606.

Special Risk Considerations

Investment in the Fund involves special risk considerations, which are summarized below. The Fund is designed as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program. See Risk Factors for a more complete discussion of the special risk considerations of an investment in the Fund.

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

Recent Market Circumstances. The financial crisis in the U.S. and global economies over the past several years, including the European sovereign debt crisis, has resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both domestic and foreign. Liquidity in some markets has decreased and credit has become scarcer worldwide. Recent regulatory changes, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) and the introduction of new international capital and liquidity requirements set forth by the Basel Committee on Banking Supervision (known as Basel III), may cause lending activity within the financial services sector to be constrained for several years as Basel III rules phase in and rules and regulations are promulgated and interpreted under the Dodd-Frank Act.

Since 2010, the risks of investing in certain foreign government debt have increased dramatically as a result of the ongoing European debt crisis, which began in Greece and has spread to varying degrees throughout various other European countries. These debt crises and the ongoing efforts of governments around the world to address these debt crises have also resulted in increased volatility and uncertainty in the global securities markets and it is impossible to predict the effects of these or similar events in the future on the Fund, though it is possible that these or similar events could have a significant adverse impact on the value and risk profile of the Fund.

In the United States, on August 5, 2011, S&P lowered its long-term sovereign credit rating on the U.S. federal government debt to AA+ from AAA. Any additional downgrade by S&P, or any other rating agency, could increase volatility in both stock and bond markets, result in higher interest rates and higher Treasury yields and increase the costs of all kinds of debt.

Global economies and financial markets are also becoming increasingly interconnected, which increases the possibilities that conditions in one country or region might adversely impact issuers in a different country or region. For example, in a referendum held on June 23, 2016, citizens of the United Kingdom voted to leave the European Union (EU), creating economic and political uncertainty in its wake. The country s departure from the EU (known as Brexit) sparked depreciation in the value of the British pound, short-term declines in the stock markets and heightened risk of continued economic volatility worldwide.

As a consequence of the United Kingdom s vote to withdraw from the EU, the government of the United Kingdom may, pursuant to the Treaty of Lisbon (the Treaty), give notice of its withdrawal and enter into negotiations with the EU Council to agree to terms for the United Kingdom s withdrawal from the EU. The Treaty provides for a two-year negotiation period, which may be shortened or extended by agreement of the parties. However, there is still considerable uncertainty relating to the potential consequences and precise timeframe for the exit, how the negotiations for the withdrawal and new trade agreements will be conducted, and whether the United Kingdom s exit will increase the likelihood of other countries also departing the EU. During this period of uncertainty, the negative impact on not only the United Kingdom and European economies, but the broader global economy, could be significant, potentially resulting in increased volatility and illiquidity and lower economic growth for companies that rely significantly on Europe for their business activities and revenues. Any further exits from the EU, or the possibility of such exits, would likely cause additional market disruption globally and introduce new legal and regulatory uncertainties.

The impact of these developments in the near- and long-term is unknown and could have additional adverse effects on economies, financial markets and asset valuations around the world.

Legislation and Regulatory Risk. At any time after the date of this Prospectus, legislation or additional regulations may be enacted that could negatively affect the assets of the Fund, securities held by the Fund or the issuers of such securities. Fund shareholders may incur increased costs resulting from such legislation or additional regulation. There can be no assurance that future legislation, regulation or deregulation will not have a material adverse effect on the Fund or will not impair the ability of the Fund to achieve its investment objectives.

The U.S. Securities and Exchange Commission (the SEC) recently proposed rules governing the use of derivatives by registered investment companies, which could affect the nature and extent of derivatives used by the Fund. The proposed rules have not yet been adopted and therefore the full extent of such rules is uncertain at this time. It is possible that such rules, if adopted, could limit the implementation of the Fund s use of derivatives, which could have an adverse impact on the Fund.

Economic and Political Events Risk. The Fund may be more sensitive to adverse economic, business or political developments if it invests a substantial portion of its assets in the bonds of similar projects (such as those relating to the education, health care, housing, transportation, or utilities industries), industrial development bonds, or in particular types of municipal securities (such as general obligation bonds, private activity bonds or moral obligation bonds). Such developments may adversely affect a specific industry or local political and economic conditions, and thus may lead to declines in the bonds creditworthiness and value.

Market Discount from Net Asset Value. Shares of closed-end investment companies like the Fund have during some periods traded at prices higher than net asset value and have during other periods traded at prices lower than net asset value. The Fund cannot predict whether Common Shares will trade at, above or below net asset value. This characteristic is a risk separate and distinct from the risk that the Fund s net asset value could decrease as a result of investment activities. Investors bear a risk of loss to the extent that the price at which they sell their shares is lower in relation to the Fund s net asset value than at the time of purchase, assuming a stable net asset value. Proceeds from the sale of Common Shares in this offering will be reduced by shareholder transaction costs (if applicable, which vary depending on the offering method used).

The net asset value per Common Share will also be reduced by costs associated with any future issuances of Common or preferred shares. The Common Shares are designed primarily for long-term investors, and you should not view the Fund as a vehicle for trading purposes. See Risk Factors Market Discount from Net Asset Value.

Credit Risk. Credit risk is the risk that one or more municipal securities in the Fund s portfolio will decline in price, or the issuer thereof will fail to pay interest or principal when due, because the issuer experiences a decline in its financial status. Credit risk is increased when a portfolio security is downgraded or the perceived creditworthiness of the issuer deteriorates. If a municipal security satisfies certain rating requirements at the time of investment and is subsequently downgraded below that rating, the Fund will not be required to dispose of the security. If a downgrade occurs, Nuveen Asset Management will consider what action, including the sale of the security, is in the best interests of the Fund and its shareholders. This means that the Fund may invest in municipal securities that are involved in bankruptcy or insolvency proceedings or are experiencing other financial difficulties at the time of acquisition (such securities are commonly referred to as distressed securities).

Below Investment Grade Risk. Municipal securities of below investment grade quality are predominately speculative with respect to the issuer s capacity to pay interest and repay principal when due, and are susceptible to default or decline in market value due to adverse economic and business developments, and are commonly referred to as junk bonds. Also, to the extent that the rating assigned to a municipal security in the Fund s portfolio is downgraded by any NRSRO, the market price and liquidity of such security may be adversely affected. The market values for municipal securities of below investment grade quality tend to be volatile, and these securities are less liquid than investment grade municipal securities. For these reasons, an investment in the Fund compared with a portfolio consisting solely of investment grade securities, may experience the following:

- increased price sensitivity resulting from changing interest rates and/or a deteriorating economic environment;
- greater risk of loss due to default or declining credit quality;
- adverse issuer specific events that are more likely to render the issuer unable to make interest and/or principal payments; and
- the possibility that a negative perception of the below investment grade market develops, resulting in the price and liquidity of below investment grade securities becoming depressed, and this negative perception could last for a significant period of time.

See Risk Factors Credit Risk and Below Investment Grade Risk.

Interest Rate Risk. Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the municipal securities in the Fund s portfolio will decline in value because of increases in market interest rates. As interest rates decline, issuers of municipal securities may prepay principal earlier than scheduled, forcing the Fund to reinvest in lower yielding securities and potentially reducing the Fund s income. As interest rates increase, slower than expected principal payments may extend the average life of securities, potentially locking in a below-market interest rate and reducing the Fund s value. Currently, market interest rates are at or near historically low levels. In typical market interest rate environments, the prices of longer-term municipal securities generally fluctuate more than prices of shorter-term municipal securities as interest rates change. Because the Fund will invest primarily in long-term municipal securities, the Common Share net asset value and market price per share will fluctuate more in response to changes in market interest rates than if the Fund invested primarily in shorter-term municipal securities. In comparison to maturity (which is the date on which a debt instrument ceases and the issuer is obligated to repay the principal amount), duration is a measure of the price volatility of a debt instrument as a result of changes in market rates of interest, based on the weighted average timing of the instrument s expected principal and interest payments. Duration differs from maturity in that it considers a security s yield, coupon payments, principal payments and call features, in addition to the amount of time until the security finally matures. As the value of a security changes over time, so will its duration.

Prices of securities with longer durations tend to be more sensitive to interest rate changes than securities with shorter durations. In general, a portfolio of securities with a longer duration can be expected to be more sensitive to interest rate changes than a portfolio with a shorter duration. For example, the price of a bond with an effective duration of two years will rise (fall) two percent for every one percent decrease (increase) in its yield, and the price of a five-year duration bond will rise (fall) five percent for a one percent decrease (increase) in its yield.

Yield curve risk is associated with either a flattening or steepening of the yield curve, which is a result of changing yields among comparable bonds with different maturities. When market interest rates, or yields, increase, the price of a bond will decrease and vice versa. When the yield curve shifts, the price of the bond, which was initially priced based on the initial yield curve, will change in price. If the yield curve flattens, then the yield spread between long- and short-term interest rates narrows, and the price of the bond will change accordingly. If the bond is short-term and the yield decreases, the price of this bond will increase. If the yield curve steepens, this means that the spread between long- and short-term interest rates increases. Therefore, long-term bond prices, like the ones held by the Fund, will decrease relative to short-term bonds. Changes in the yield curve are based on bond risk premiums and expectations of future interest rates.

Because the values of lower-rated and comparable unrated debt securities are affected both by credit risk and interest rate risk, the price movements of such lower grade securities in response to changes in interest rates typically have not been highly correlated to the fluctuations of the prices of investment grade quality securities in response to changes in market interest rates. The Fund s use of leverage, as described herein, will tend to increase Common Share interest rate risk. See Risk Factors Interest Rate Risk.

Municipal Securities Market Risk. The municipal market is one in which dealer firms make markets in bonds on a principal basis using their proprietary capital, and during the recent market turmoil these firms capital was severely constrained. As a result, some firms were unwilling to commit their capital to purchase and to serve as a dealer for municipal bonds.

Generally, when market interest rates rise, bond prices fall, and vice versa. Interest rate risk is the risk that the municipal securities in the Fund s portfolio will decline in value because of increases in market interest rates. Currently, market interest rates are at or near historically low levels which may be unsustainable. In typical market interest rate environments, the prices of longer-term municipal securities generally fluctuate more than prices of shorter-term municipal securities as interest rates change. Because the Fund will invest primarily in longer-term municipal securities, the Common Share net asset value and market price per share will fluctuate more in response to changes in market interest rates than if the Fund invested primarily in shorter-term municipal securities. See Risk Factors Municipal Securities Market Risk and Risk Factors Special Risks Related to Certain Municipal Obligations.

Reinvestment Risk. Reinvestment risk is the risk that income from the Fund s portfolio will decline if and when the Fund invests the proceeds from matured, traded or called bonds at market interest rates that are below the portfolio s current earnings rate. A decline in income could affect the Common Share s market price or your overall returns. See Risk Factors Reinvestment Risk.

Tax Risk. To qualify for the favorable U.S. federal income tax treatment generally accorded to regulated investment companies, among other things, the Fund must derive in each taxable year at least 90% of its gross income from certain prescribed sources and satisfy a diversification test on a quarterly basis. If the Fund fails to satisfy the qualifying income or diversification requirements in any taxable year, the Fund may be eligible for relief provisions if the failures are due to reasonable cause and not willful neglect and if a penalty tax is paid with respect to each failure to satisfy the applicable requirements. Additionally, relief is provided for certain de minimis failures of the diversification requirements where the Fund corrects the failure within a specified period. In order to be eligible for the relief provisions with respect to a failure to meet the diversification requirements, the Fund may be required to dispose of certain assets. If these relief provisions were not available to the Fund and it were to fail to qualify for treatment as a regulated investment company for a taxable year, all of its taxable income (including its net capital gain) would be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and such distributions would be taxable as ordinary dividends to the extent of the Fund s current and accumulated earnings and profits.

To qualify to pay exempt-interest dividends, which are treated as items of interest excludable from gross income for federal income tax purposes, at least 50% of the value of the total assets of the Fund must consist of obligations exempt from regular income tax as of the close of each quarter of the Fund s taxable year. If the proportion of taxable investments held by the Fund exceeds 50% of the Fund s total assets as of the close of any quarter of any Fund taxable year, the Fund would not for that taxable year satisfy the general eligibility test that would otherwise permit it to pay exempt-interest dividends.

The Fund may enter into various types of derivatives transactions, including credit default swap contracts and interest rate swap contracts, among others. The use of such derivatives may generate taxable income. The Fund s use of derivatives may also affect the amount, timing, and character of distributions to shareholders and, therefore, may increase the amount of taxes payable by shareholders.

The value of the Fund s investments and its net asset value may be adversely affected by changes in tax rates and policies. Because interest income from municipal securities is normally not subject to regular federal income taxation, the attractiveness of municipal securities in relation to other investment alternatives is affected by changes in federal income tax rates or changes in the tax-exempt status of interest income from municipal securities. Any proposed or actual changes in such rates or exempt status, therefore, can significantly affect the demand for and supply, liquidity and marketability of municipal securities. This could in turn affect the Fund s net asset value and ability to acquire and dispose of municipal securities at desirable yield and price levels. Additionally, the Fund is not a suitable investment for individual retirement accounts, for other tax-exempt or tax-deferred accounts or for investors who are not sensitive to the federal income tax consequences of their investments.

Leverage Risk. The use of financial leverage created through borrowing, the Fund s outstanding preferred shares, or the use of tender option bonds creates an opportunity for increased Common Share net income and returns, but also creates special risks for Common Shareholders. There is no assurance that the Fund s leveraging strategy will be successful. The risk of loss attributable to the Fund s use of leverage is borne by Common Shareholders. The Fund s use of financial leverage can result in a greater decrease in net asset values in declining markets. The Fund s use of financial leverage similarly can magnify the impact of changing market conditions on Common Share market prices. See Risk Factors Inverse Floating Rate Securities Risk.

Because the long-term municipal securities in which the Fund invests generally pay fixed rates of interest while the Fund s costs of leverage generally fluctuate with short- to intermediate-term yields, the incremental earnings from leverage will vary over time. However, the Fund may use derivatives, such as interest rate swaps, to fix the effective rate paid on all or a portion of the Fund s leverage, in an effort to lower leverage costs over an extended period. Accordingly, the Fund cannot assure you that the use of leverage will result in a higher yield or return to Common Shareholders. The income benefit from leverage will be reduced to the extent that the difference narrows between the net earnings on the Fund s portfolio securities and its cost of leverage. The income benefit from leverage will increase to the extent that the difference widens between the net earnings on the Fund s portfolio securities and its cost of leverage. If short- or intermediate-term rates rise, the Fund s cost of leverage could exceed the fixed rate of return on longer-term bonds held by the Fund that were acquired during periods of lower interest rates, reducing income and returns to Common Shareholders. This could occur even if short- or intermediate-term and long-term municipal rates rise. Because of the costs of leverage, the Fund may incur losses even if the Fund has positive returns, if they are not sufficient to cover the costs of leverage. The Fund s cost of leverage includes interest on borrowing, dividends paid on VMTP shares, or the interest expense attributable to tender option bonds (See Risk Factors Inverse Floating Rate Securities Risk), as well as any one-time costs (*e.g.*, issuance costs) and ongoing fees and expenses associated with such leverage.

The Fund is required to maintain certain regulatory and rating agency asset coverage requirements in connection with its use of leverage, in order to be able to maintain the ability to declare and pay Common Share distributions and to maintain the VMTP Shares rating. An NRSRO could downgrade its ratings on the Fund s outstanding preferred shares, including VMTP Shares. A ratings downgrade of the Fund s preferred shares may result in higher dividend rates and may also force the redemption of such preferred shares at what might be an inopportune time in the market. These factors may result in reduced net earnings or returns to Common Shareholders.

In order to maintain required asset coverage levels, the Fund may be required to alter the composition of its investment portfolio or take other actions, such as redeeming preferred shares or reducing leverage levels with the proceeds from portfolio transactions, at what might be an inopportune time in the market. Such actions could reduce the net earnings or returns to Common Shareholders over time.

The Fund may invest in the securities of other investment companies, which may themselves be leveraged and therefore present similar risks to those described above and magnify the Fund s leverage risk.

See Risk Factors Leverage Risk and Use of Leverage.

Inverse Floating Rate Securities Risk. The Fund may invest in inverse floating rate securities. Typically, inverse floating rate securities represent beneficial interests in a special purpose trust (sometimes called a tender option bond trust) formed by a third party sponsor for the purpose of holding municipal bonds. See The Fund s Investments Inverse Floating Rate Securities. In general, income on inverse floating rate securities will decrease when interest rates increase and increase when interest rates decrease. Investments in inverse floating rate securities may subject the Fund to the risks of reduced or eliminated interest payments and losses of principal. In addition, inverse floating rate securities may increase or decrease in value at a greater rate than the underlying interest rate, which effectively leverages the Fund s investment. As a result, the market value of such securities generally will be more volatile than that of fixed rate securities.

The Fund may invest in inverse floating rate securities, issued by special purpose trusts that have recourse to the Fund. In Nuveen Asset Management s discretion, the Fund may enter into a separate shortfall and forbearance agreement with the third party sponsor of a special purpose trust. The Fund may enter into such recourse agreements (i) when the liquidity provider to the special purpose trust requires such an agreement because the level of leverage in the special purpose trust exceeds the level that the liquidity provider is willing to support absent such an agreement; and/or (ii) to seek to prevent the liquidity provider from collapsing the special purpose trust in the event that the municipal obligation held in the trust has declined in value. Such an agreement would require the Fund to reimburse the third-party sponsor of the trust, upon termination of the trust issuing the inverse floater, the difference between the liquidation value of the bonds held in the trust and the principal amount due to the holders of floating rate interests. In such instances, the Fund may be at risk of loss that exceeds its investment in the inverse floating rate securities.

The Fund s investments in inverse floating rate securities issued by special purpose trusts that have recourse to the Fund may be highly leveraged. The structure and degree to which the Fund s inverse floating rate securities are highly leveraged will vary based upon a number of factors, including the size of the trust itself and the terms of the underlying municipal security. An inverse floating rate security generally is considered highly leveraged if the principal amount of the short-term floating rate interests issued by the related special purpose trust is in excess of three times the principal amount of the inverse floating rate securities owned by the trust (the ratio of the principal amount of such short-term floating rate interests to the principal amount of the inverse floating rate securities is referred to as the gearing). In the event of a significant decline in the value of an underlying security, the Fund may suffer losses in excess of the amount of its investment (up to an amount equal to the value of the municipal securities underlying the inverse floating rate securities) as a result of liquidating special purpose trusts or other collateral required to maintain the Fund s anticipated effective leverage ratio.

The Fund s investment in inverse floating rate securities will create effective leverage, which will create an opportunity for increased Common Share net income and returns, but will also create the possibility that Common Share long-term returns will be diminished if the cost of leverage exceeds the return on the inverse floating rate securities purchased by the Fund. Inverse floating rate securities have varying degrees of liquidity based upon the liquidity of the underlying securities deposited in a special purpose trust. The market price of inverse floating rate securities is more volatile than the underlying securities due to leverage. The leverage attributable to such inverse floating rate securities may be called away on relatively short notice and therefore may be less permanent than more traditional forms of leverage. In certain circumstances, the likelihood of an increase in the volatility of net asset value and market price of the Common Share may be greater for a fund (like the Fund) that relies primarily on inverse floating rate securities to achieve a desired effective leverage ratio. The Fund may be required to sell its inverse floating rate securities at less than favorable prices, or liquidate other Fund portfolio holdings in certain circumstances, including, but not limited to, the following:

- If the Fund has a need for cash and the securities in a special purpose trust are not actively trading due to adverse market conditions;

If special purpose trust sponsors (as a collective group or individually) experience financial hardship and consequently seek to terminate their respective outstanding special purpose trusts; and

If the value of an underlying security declines significantly (to a level below the notional value of the floating rate securities issued by the trust) and if additional collateral has not been posted by the Fund.

See Risk Factors Inverse Floating Rate Securities Risk.

Inflation Risk. Inflation risk is the risk that the value of assets or income from investments will be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of the Common Shares and distributions can decline. See Risk Factors Inflation Risk.

Derivatives Risk, Including the Risk of Swaps. The Fund s use of derivatives involves risks different from, and possibly greater than, the risks associated with investing directly in the investments underlying the derivatives. Whether the Fund s use of derivatives is successful will depend on, among other things, if Nuveen Asset Management correctly forecasts market values, interest rates and other applicable factors. If Nuveen Asset Management incorrectly forecasts these and other factors, the investment performance of the Fund will be unfavorably affected. In addition, the derivatives market is largely unregulated. It is possible that developments in the derivatives market could adversely affect the Fund s ability to successfully use derivative instruments.

The Fund may enter into various types of derivatives transactions, including credit default swap contracts and interest rate swaps, among others. As of October 31, 2016, the Fund was not invested in derivatives. Like most derivative instruments, the use of swaps is a highly specialized activity that involves investment techniques and risks different from those associated with ordinary portfolio securities transactions. In addition, the use of swaps requires an understanding by Nuveen Asset Management not only of the referenced asset, rate or index, but also of the swap itself and the markets on which they trade. Successful implementation of most hedging strategies would generate taxable income. The derivatives market is subject to a changing regulatory environment. It is possible that regulatory or other developments in the derivatives market could adversely affect the Fund s ability to successfully use derivative instruments. See Risk Factors Derivatives Risk, Including the Risk of Swaps, Risk Factors Counterparty Risk, Risk Factors Hedging Risk and the SAI.

Counterparty Risk. Changes in the credit quality of the companies that serve as the Fund s counterparties with respect to derivatives, insured municipal securities or other transactions supported by another party s credit may affect the value of those instruments. Certain entities that have served as counterparties in the markets for these transactions have recently incurred significant financial hardships and losses, including bankruptcy and losses as a result of exposure to sub-prime mortgages and other lower quality credit investments that have experienced recent defaults or otherwise suffered extreme credit deterioration. As a result, such hardships have reduced these entities capital and called into question their continued ability to perform their obligations under such transactions. By using such derivatives or other transactions, the Fund assumes the risk that its counterparties could experience similar financial hardships. See Risk Factors Counterparty Risk.

Hedging Risk. The Fund s use of derivatives or other transactions to reduce risks involves costs and will be subject to NFALLC s and Nuveen Asset Management s ability to predict correctly changes in the relationships of such hedge instruments to the Fund s portfolio holdings or other factors. No assurance can be given that NFALLC s and Nuveen Asset Management s judgment in this respect will be correct. In addition, no assurance can be given that the Fund will enter into hedging or other transactions at times or under circumstances in which it may be advisable to do so. See Risk Factors Hedging Risk.

Potential Conflicts of Interest Risk. NFALLC and Nuveen Asset Management each provide a wide array of portfolio management and other asset management services to a mix of clients and may engage in ordinary course activities in which their respective interests or those of their clients may compete or conflict with those of the Fund. For example, NFALLC and Nuveen Asset Management may provide investment management services to other funds and accounts that follow investment objectives similar to those of the Fund. In certain circumstances, and subject to its fiduciary obligations under the Investment Advisers Act of 1940, Nuveen Asset Management may have to allocate a limited investment opportunity among its clients, which include closed-end funds, open-end funds and other commingled funds. NFALLC and Nuveen Asset Management have each adopted policies and procedures designed to address such situations and other potential conflicts of interests. For additional information about potential conflicts of interest, and the way in which NFALLC and Nuveen Asset Management address such conflicts, please see the SAI.

Anti-Takeover Provisions. The Fund s Declaration of Trust (the Declaration) and the Fund s By-Laws (the By-Laws) include provisions that could limit the ability of other entities or persons to acquire control of the Fund or convert the Fund to open-end status. These provisions could have the effect of depriving the Common Shareholders of opportunities to sell their Common Shares at a premium over the then current market price of the Common Shares. See Certain Provisions in the Declaration of Trust and By-Laws Anti-Takeover Provisions and Risk Factors Anti-Takeover Provisions.

In addition, an investment in the Fund s Common Shares raises other risks, which are more fully disclosed in the Risk Factors section of this Prospectus.

Distributions

The Fund pays monthly distributions to Common Shareholders at a level rate (stated in terms of a fixed cents per Common Share dividend rate) based on the projected performance of the Fund. The Fund s ability to maintain a level Common Share dividend rate will depend on a number of factors, including dividends payable on VMTP Shares. As portfolio and market conditions change, the rate of dividends on the Common Shares and the Fund s dividend policy could change. For each taxable year, the Fund will distribute all or substantially all of its net investment income (after it pays accrued dividends on VMTP Shares). In addition, the Fund intends to distribute, at least annually, all or substantially all of its net capital gain (which is the excess of net long-term capital gain over net short-term capital loss) and taxable ordinary income, if any, to Common Shareholders so long as the net capital gain and taxable ordinary income are not necessary to pay accrued dividends on, or redeem or liquidate, any preferred shares, including VMTP Shares, then outstanding or pay any interest and required principal payments on borrowings. While not currently anticipated, if the Fund makes total distributions during a given calendar year in an amount that exceeds the Fund s net investment income and net capital gain for that calendar year, the excess would generally be treated by Common Shareholders as a return of capital for tax purposes. A return of capital reduces a shareholder s tax basis, which could result in higher taxes when the shareholder sells his or her shares. This may cause the shareholder to pay taxes even if he or she sells shares for less than the original price. You may elect to reinvest automatically some or all of your distributions in additional Common Shares under the Fund s Dividend Reinvestment Plan.

The Fund might not distribute all or a portion of any net capital gain for a taxable year. If the Fund does not distribute all of its net capital gain for a taxable year, it will pay federal income tax on the retained gain. Provided the Fund satisfies certain requirements, each Common Shareholder of record as of the end of the Fund s taxable year will include in income for federal income tax purposes, as long-term capital gain, his or her share of the retained gain, will be deemed to have paid his or her proportionate share of tax paid by the Fund on such retained gain, and will be entitled to an income tax credit or refund for that share of the tax. The Fund may treat the retained capital gain amount as a substitute for equivalent cash distributions. See Distributions and Dividend Reinvestment Plan.

The Fund reserves the right to change its distribution policy and the basis for establishing the rate of its monthly distributions at any time, subject to a finding by the Fund s Board of Trustees that such change is in the best interests of the Fund and its Common Shareholders.

Custodian and Transfer Agent

State Street Bank and Trust Company serves as custodian and transfer agent of the Fund s assets. See Custodian and Transfer Agent.

Special Tax Considerations

The Fund may invest up to 20% of its Managed Assets in municipal securities that pay interest that is taxable under the federal alternative minimum tax applicable to individuals. If you are, or as a result of investment in the Fund would become, subject to the federal alternative minimum tax, the Fund may not be a suitable investment for you. In addition, distributions of taxable ordinary income (including any net short-term capital gain) will be taxable to shareholders as ordinary income (and not eligible for favorable taxation as qualified dividend income), and capital gain dividends will be taxable as long-term capital gains. See Tax Matters.

Voting Rights

The holders of the Fund s VMTP Shares, voting as a separate class, would have the right to elect at least two trustees at all times and to elect a majority of the trustees in the event two full years dividends on the preferred shares, including VMTP Shares, are unpaid. In each case, the remaining trustees would be elected by holders of Common Shares and preferred shares voting together as a single class. The holders of shares of preferred shares, including VMTP Shares, will vote as a separate class or classes on certain other matters as required under the Declaration, the Investment Company Act of 1940, as amended (the 1940 Act) and Massachusetts law. See Description of Shares Preferred Shares Voting Rights and Certain Provisions in the Declaration of Trust.

SUMMARY OF FUND EXPENSES

The table shows the expenses of the Fund as a percentage of the average net assets applicable to Common Shares, and not as a percentage of total assets or Managed Assets. The purpose of the table below and the Examples below are to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly.

Shareholder Transaction Expenses (as a percentage of offering price)	
Maximum Sales Charge	4.00%*
Dividend Reinvestment Plan Fees(1)	None

* A maximum sales charge of 4.00% applies only to offerings pursuant to a syndicated underwriting. The maximum sales charge for offerings made at-the-market is 1.00%. There is no sales charge for offerings pursuant to a private transaction.

	As a Percentage of Net Assets Attributable to Common Shares(2)
Annual Expenses	
Management Fees(3)	0.97%
Fees on VMTP Shares and Interest and Related Expenses from Inverse Floaters(4)	0.24%
Other Expenses(5)	0.07%
Total Annual Expenses	1.28%

(1) You will be charged a $2.50 service charge and pay brokerage charges if you direct State Street Bank and Trust Company, as agent for the Common Shareholders (the Plan Agent), to sell your Common Shares held in a dividend reinvestment account.

(2) Stated as percentages of average net assets attributable to Common Shares for the fiscal year ended October 31, 2016.

(3) The Management Fees shown in the fee table are higher than the contractual management fee rates because the Management Fees in the table are calculated as a percentage of the Fund s average net assets applicable to Common Shares, rather than the Fund s Managed Assets. Managed Assets includes assets attributable to leverage. The management fee consists of a fund-level fee and complex-level fee. For the fiscal year ended October 31, 2016, the Fund-level fee was 0.5218% of Managed Assets or 0.7425% of Net Assets Attributable to Common Shares and the complex-level fee was 0.1626% of Managed Assets or 0.2314% of Net Assets Attributable to Common Shares. See Management of the Fund Investment Management and Sub-Advisory Agreements for a complete discussion of how the Management Fee is calculated.

(4) Currently, the Fund employs leverage through its investment in VMTP Shares and through certain of its investments in inverse floating rate securities. For the fiscal year ended October 31, 2016, the Fund s effective leverage was approximately 32% of the Fund s Managed Assets. Fees on VMTP Shares assume annual dividends paid and amortization of offering costs. Interest and Related Expenses from Inverse Floaters include interest expense attributable to inverse floating rate securities created by selling a fixed-rate bond to a broker dealer for deposit into the special purpose trust and receiving in turn the residual interest in the trust (self-deposited inverse floating rate securities). To the extent each Fund creates self-deposited inverse floating rate securities, the Fund recognizes interest expense because accounting rules require the Fund to treat interest paid by such trusts as having been paid (indirectly) by the Fund. Because the Fund also recognizes a corresponding amount of additional interest earned (also indirectly), the Fund s net asset value per share, net investment income and total return are not affected by this accounting treatment. The actual

fees on VMTP Shares and interest and related expenses from inverse floaters incurred in the future may be higher or lower. The Funds use of leverage will increase the amount of management fees paid to the NFALLC and Nuveen Asset Management.

(5) Other Expenses is based on estimated amounts for the current fiscal year. Expenses attributable to the Fund s investments, if any, in other investment companies are currently estimated not to exceed 0.01%. See Portfolio Composition Other Investment Companies in the SAI.

The purpose of the table above is to help you understand all fees and expenses that you, as a Common Shareholder, would bear directly or indirectly. See Management of the Fund Investment Adviser.

Examples

The following examples illustrate the expenses (including the applicable transaction fees, (referred to as the Maximum Sales Charge in the fee table above), if any, that a shareholder would pay on a $1,000 investment that is held for the time periods provided in the table. Each example assumes that all dividends and other distributions are reinvested in the Fund and that the Fund s Annual Expenses, as provided above, remain the same. The examples also assume a 5% annual return.(1)

Example # 1 (At-the-Market Transaction)

The following example assumes a transaction fee of 1.00%, as a percentage of the offering price.

1 Year	3 Years	5 Years	10 Years
$23	$50	$80	$163

Example # 2 (Underwriting Syndicate Transaction)

The following example assumes a transaction fee of 4.00%, as a percentage of the offering price.

1 Year	3 Years	5 Years	10 Years
$53	$79	$107	$188

Example # 3 (Privately Negotiated Transaction)

The following example assumes there is no transaction fee.

1 Year	3 Years	5 Years	10 Years
$13	$41	$70	$155

The examples should not be considered a representation of future expenses. Actual expenses may be greater or less than those shown above.

(1) The examples assume that all dividends and distributions are reinvested at Common Share net asset value. Actual expenses may be greater or less than those assumed. Moreover, the Fund s actual rate of return may be greater or less than the hypothetical 5% return shown in the example.

FINANCIAL HIGHLIGHTS

The following Financial Highlights table is intended to help a prospective investor understand the Fund s financial performance for the periods shown. Certain information reflects financial results for a single Common share of the Fund. The total returns in the table represent the rate an investor would have earned or lost on an investment in Common shares of the Fund (assuming reinvestment of all dividends). The Fund s annual financial statements as of and for the fiscal years ended October 31, 2016, 2015 and 2014, including the financial highlights for the fiscal years then ended, have been audited by KPMG LLP, an independent registered public accounting firm. KPMG has not reviewed or examined any records, transactions or events after the date of such reports. The information with respect to the fiscal years ended prior to October 31, 2014 has been audited by Ernst & Young LLP, an independent registered public accounting firm. A copy of the Annual Report may be obtained from www.sec.gov or by visiting www.nuveen.com. The information contained in, or that can be accessed through, the Fund s website is not part of this Prospectus. Past results are not indicative of future performance.

The following per share data and ratios have been derived from information provided in the financial statements.

Selected data for a Common share outstanding throughout each period:

	Year Ended October 31									
SHARE RATING FORMANCE	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
ning Common Net Asset (NAV)	$ 13.66	$ 13.71	$ 12.36	$ 13.45	$ 11.59	$ 12.13	$ 11.18	$ 9.63	$ 15.36	$ 16.
ment tions:										
vestment e (Loss)	.86	.91	.93	.94	.91	.96	1.04	1.06	1.29	1.
ed/Unrealized Loss)	.04	(.04)	1.33	(1.20)	1.78	(.57)	.89	1.48	(5.70)	(.
butions from vestment e to Auction referred PS) holders(a)						(.01)	(.01)	(.04)	(.23)	(.
butions from nulated Net ed Gains to holders(a)									(.02)	
	.90	.87	2.26	(.26)	2.69	.38	1.92	2.50	(4.66)	.
Distributions to non holders:										
Net ment Income	(.91)	(.92)	(.91)	(.88)	(.90)	(.96)	(1.01)	(1.04)	(.98)	(.
Accumulated ealized									(.09)	

	(.91)	(.92)	(.91)	(.88)	(.90)	(.96)	(1.01)	(1.04)	(1.07)	(.
non Share:										
um Per Share hrough Shelf ng	.03		*	.05	.07	.04	.04	.09	.01	.
Offering Costs RPS Share writing unts			*	*	*	*	*	*	*	
g NAV	$ 13.68	$ 13.66	$ 13.71	$ 12.36	$ 13.45	$ 11.59	$ 12.13	$ 11.18	$ 9.63	$ 15.
g Share Price	$ 13.32	$ 13.76	$ 13.21	$ 11.99	$ 14.22	$ 11.75	$ 12.95	$ 11.92	$ 11.02	$ 15.
non Share Returns:										
on NAV(b)	6.91%	6.54%	18.90%	(1.71)%	24.55%	4.24%	18.18%	30.90%	(32.63)%	2.
on Share b)	3.34%	11.49%	18.31%	(9.71)%	29.84%	(1.22)%	17.90%	20.00%	(24.77)%	(2.
non Share emental Ratios cable to non Shares										
g Net Assets	$ 788,577	$ 684,109	$ 686,299	$ 618,394	$ 402,573	$ 323,090	$ 324,450	$ 288,963	$ 230,123	$ 361,4
to Average ssets Before oursement(c):										
ses(e)	1.28%	1.25%	1.28%	1.28%	1.42%	1.52%	1.22%	1.53%	1.56%	1.

	$ 8,164,000	$ 19,888,000
ued liabilities:		
Current portion of warranty reserve	$ 799,000	$ 1,291,000
Accrued vacation	1,188,000	2,531,000
Accrued bonus	1,004,000	1,828,000
Accrued 401(k) matching contribution	917,000	1,773,000
Collections in excess of revenues	694,000	6,196,000
Other	399,000	1,351,000
	$ 5,001,000	$ 14,970,000

The intangible assets are amortized using the straight-line method over their estimated useful lives of three to nine years. The technology intangible asset has several components with estimated useful lives of six to nine years, contracts and relationships intangible asset has several components with estimated useful lives of three to nine years, acquired work force has an estimated useful life of five years and goodwill has an estimated useful life of seven years.

Note 4 Notes Payable

As of March 31,

	2000	2001
Bank installment loan, with a maturity date of September 2001, total monthly payment of $56,000 with interest rates ranging between 8.75% and 9.85%, collateralized by equipment	$ 1,243,000	$ 336,000
Less current portion	(907,000)	(336,000)
	$ 336,000	$ 0

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Note 5 Common Stock and Options

In July 1993, the Company adopted the 1993 Stock Option Plan (the Plan) which authorizes 1,467,000 shares to be granted no later than July 2003. In November 1996, the Plan was terminated and replaced by the ViaSat, Inc. 1996 Equity Participation Plan (the 1996 Equity Participation Plan). No options have been issued under the Plan since July 1996.

In November 1996, the Company adopted the 1996 Equity Participation Plan. The 1996 Equity Participation Plan provides for the grant to executive officers, other key employees, consultants and non-employee directors of the Company a broad variety of stock-based compensation alternatives such as nonqualified stock options, incentive stock options, restricted stock and performance awards. In September 2000, the Company amended the 1996 Equity Participation Plan to increase the maximum number of shares reserved for issuance under this plan from 2,500,000 shares to 6,100,000 shares. As of March 31, 2001, the Company had granted options to purchase 4,525,466 shares of common stock under this plan with vesting terms of three to five years and are exercisable for up to ten years from the grant date or up to five years from the date of grant for a ten percent owner.

In November 1996, the Company adopted the ViaSat, Inc. Employee Stock Purchase Plan (the Employee Stock Purchase Plan) to assist employees in acquiring a stock ownership interest in the Company and to encourage them to remain in the employment of the Company. The Employee Stock Purchase Plan is intended to qualify under Section 423 of the Internal Revenue Code. A maximum of 1,000,000 shares of common stock are reserved for issuance under the Employee Stock Purchase Plan. The Employee Stock Purchase Plan permits eligible employees to purchase common stock at a discount through payroll deductions during specified six-month offering periods. No employee may purchase more than $25,000 worth of stock in any calendar year. The price of shares purchased under the Employee Stock Purchase Plan is equal to 85% of the fair market value of the common stock on the first or last day of the offering period, whichever is lower. As of March 31, 2001, the Company has issued 372,942 shares of common stock under this plan.

Transactions under the Company s stock option plans are summarized as follows:

	Number of Shares	Exercise Price Per Share	Weighted Average Exercise Price Per Share
Outstanding at March 31, 1998	1,313,368	$ .17 9.91	$ 4.47
Options granted	648,000	3.69 8.54	6.55
Options canceled	(219,816)	.68 7.77	5.41
Options exercised	(120,960)	.17 7.07	2.78
Outstanding at March 31, 1999	1,620,592	.24 9.91	5.30
Options granted	851,600	4.25 43.82	12.98

Options canceled	(64,942)	2.05	7.77	6.67
Options exercised	(228,448)	.24	9.91	3.06
Outstanding at March 31, 2000	2,178,802	.68	43.82	8.50
Options granted	2,136,800	9.95	27.94	20.42
Options canceled	(165,383)	3.69	26.16	14.00
Options exercised	(324,075)	.68	8.33	3.82
Outstanding at March 31, 2001	3,826,144	2.05	43.82	15.31

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The following table summarizes all options outstanding and exercisable by price range as of March 31, 2001:

Range of Exercise Prices		Number Outstanding	Weighted Average Remaining Contractual Life-years	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 2.05	5.38	496,980	6.26	$ 4.46	294,650	$ 4.39
5.78	6.38	441,176	7.24	6.10	253,175	6.23
7.02	7.77	419,138	7.33	7.65	216,703	7.65
8.07	14.97	386,700	8.97	12.23	61,135	8.61
15.09	21.83	293,100	9.19	17.33	0	0.00
22.03	22.03	1,497,350	9.49	22.03	0	0.00
22.10	35.63	277,700	8.75	25.66	68,622	25.84
36.35	36.35	2,000	8.88	36.35	667	36.35
36.56	36.56	6,000	8.91	36.56	2,000	36.56
43.82	43.82	6,000	3.93	43.82	2,100	43.82
2.05	43.82	3,826,144	8.43	15.31	899,052	7.81

On September 1, 2000 the Company accelerated the vesting of 7,667 outstanding options granted under the 1996 Equity Participation Plan to one individual. Non-cash compensation of $134,000 related to this modification of vesting was recorded in the fiscal year ended March 31, 2001.

Note 6 Shares Used in Earnings Per Share Calculations

	Years Ended March 31,		
	1999	**2000**	**2001**
Weighted average common shares outstanding used in calculating basic net income per share	15,953,696	16,193,000	21,379,015
Weighted average options to purchase common stock as determined by application of the treasury stock method	370,904	1,223,170	1,148,430

Employee Stock Purchase Plan equivalents	20,720	6,274	9,537
Shares used in computing diluted net income per share	16,345,320	17,422,444	22,536,982

Antidilutive shares and warrants excluded from the calculation were 420,735, 30,420, and 1,262,564 shares for the fiscal years ended March 31, 1999, 2000, and 2001 respectively.

Note 7 Pro Forma Earnings Per Share

The fair values of options granted during the years ended as reported below were estimated at the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions:

	Employee Stock Options			Employee Stock Purchase Plan		
	1999	2000	2001	1999	2000	2001
Expected life (in years)	3.50-5.00	4.99-5.00	4.86	0.50	0.50	0.50
Risk-free interest rate	4.46-5.42%	5.69%	5.42%	5.66-6.22%	5.55%	5.70-6.24%
Expected volatility	50.00%	71.00%	125.00%	50.00%	71.00%	125.00%
Expected dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The weighted average estimated fair value of employee stock options granted during 1999, 2000, and 2001 was $6.27, $16.61, and $18.69 per share, respectively. The weighted average estimated fair value of shares granted under the Employee Stock Purchase Plan during 1999, 2000 and 2001 was $4.00, $5.43 and $9.23 per share, respectively.

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For purposes of pro forma disclosures, the estimated fair value of options is amortized to expense over the vesting period. The Company s pro forma information for the years ended March 31, 1999, 2000 and 2001 are as follows:

	Year Ended March 31,		
	1999	2000	2001
Net income as reported	$6,296,000	$7,906,000	$10,265,000
Pro forma net income	5,157,000	5,974,000	952,000
Pro forma basic earnings per share	0.65	0.74	0.04
Pro forma diluted earnings per share	0.65	0.70	0.04

Note 8 Income Taxes

The provision for income taxes includes the following:

Years Ended March 31,		
1999	2000	2001

Current tax provision			
Federal	$ 3,977,000	$2,947,000	$2,629,000
State	988,000	681,000	
Foreign			1,063,000
	4,965,000	3,628,000	3,692,000
Deferred tax (benefit) provision			
Federal	(863,000)	680,000	(137,000)
State	(219,000)	163,000	(80,000)
Foreign			(53,000)
	(1,082,000)	843,000	(270,000)
Total provision for income taxes	$ 3,883,000	$4,471,000	$3,422,000

Significant components of the Company s deferred tax assets and liabilities are as follows:

	As of March 31,	
	2000	**2001**
Deferred tax assets:		
Warranty reserve	$ 418,000	$ 347,000
Inventory	820,000	744,000
Accrued vacation	374,000	559,000
State income taxes	231,000	21,000
Depreciable, amortizable and other property	307,000	766,000
Other	158,000	141,000
Total deferred tax assets	$2,308,000	$2,578,000

A reconciliation of the provision for income taxes to the amount computed by applying the statutory federal income tax rate to income before income taxes is as follows:

	Years Ended March 31,		
	1999	**2000**	**2001**
Tax expense at statutory rate	$3,461,000	$4,208,000	$4,690,000
State tax provision, net of federal benefit	507,000	558,000	(223,000)
Research tax credit	(67,000)	(240,000)	(928,000)
Other	(18,000)	(55,000)	(117,000)
	$3,883,000	$4,471,000	$3,422,000

Note 9 Employee Benefits

The Company has a voluntary deferred compensation plan under Section 401(k) of the Internal Revenue Code. The Company may make discretionary contributions to the plan which vest equally over six years. Employees who have completed 90 days of service and are at least

21 years of age are eligible to participate in the plan. Participants are entitled, upon termination or retirement, to their vested portion of the plan assets which are held by an independent trustee. Discretionary contributions accrued by the Company during fiscal years 1999, 2000 and 2001

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amounted to $791,000, $917,000 and $1,772,000, respectively. The increase in the contributed amount is primarily due to the acquisition of the Satellite Networks Business. The cost of administering the plan is not significant.

Note 10 Commitments

The Company leases office facilities under noncancelable operating leases with initial terms ranging from one to ten years which expire between June 2002 and December 2009. Certain of the Company s facilities leases contain option provisions which allow for extension of the lease terms. Rent expense, which is recognized on a straight-line basis, was $1,312,000, $1,939,000 and $4,194,000 in fiscal years 1999, 2000 and 2001, respectively.

Future minimum lease payments are as follows:

Year Ending March 31,	
2002	$ 4,317,000
2003	4,157,000
2004	2,523,000
2005	2,408,000
2006	2,382,000
Thereafter	8,726,000
	$24,513,000

Note 11 Contingencies

On September 15, 2000 ORBCOMM Global, L.P. (ORBCOMM) and seven of its subsidiaries filed a voluntary petition for Chapter 11 relief in the United States Bankruptcy Court for the District of Delaware as part of its efforts to restructure and reorganize its business. ORBCOMM has continued its efforts to maintain and operate its network of low-Earth orbit (LEO) satellites and related ground facilities while it restructures its operations. On April 23, 2001, International Licensees, LLC was approved by the bankruptcy court as the buyer of ORBCOMM. International Licensees is a consortium of current ORBCOMM licensees and other investors. There remain some conditions with respect to financing set in bankruptcy that the International Licensees must fulfill in the future. A failure to meet these conditions could result in the unwinding of the purchase by the International Licensees. We are currently in negotiations with International Licensees relating to our relationship with ORBCOMM in the future, including the potential assumption of all or part of our receivables and contracts in bankruptcy. The following table summarizes our assets related to ORBCOMM at March 31, 2001.

Accounts receivable-billed	$4,611,000
Accounts receivable-unbilled	359,000
Inventory	123,000
Total	$5,093,000

We cannot make assurances that the assets listed above will be fully recovered. If we are unable to successfully complete our negotiations with ORBCOMM regarding the assumption of our receivables and contracts in bankruptcy, or if ORBCOMM is unable to successfully restructure its operations, it would substantially limit our ability to recover the assets listed above and could cause ViaSat to incur losses which could harm our business; however, we have not made any adjustments to the recorded amount for the assets as it is not possible at this time to reasonably estimate or determine what loss, if any, will be incurred.

The Company is currently a party to various government and commercial contracts which require the Company to meet performance covenants and project milestones. Under the terms of these contracts, failure by the Company to meet such performance covenants and milestones permit the other party to terminate the contract and, under certain circumstances, recover liquidated damages or other penalties. The Company is currently not in compliance (or in the past was not in compliance) with the performance or milestone requirements of certain of these contracts. Historically, the Company s customers have not elected to terminate such contracts or seek liquidated damages from the Company and management does not believe that its existing customers will do so; therefore, the Company has not accrued for any potential liquidated damages or penalties.

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Note 12 Immeon Networks, L.L.C.

In January 2001 the Company and Loral Skynet formed a joint venture named Immeon Networks, L.L.C., (Immeon). The Company and Loral Skynet are each entitled to 50% of the net profits of Immeon, subject to certain adjustments. The Company accounts for its investment under the equity method because the Company has significant influence, but not control, of the operations of Immeon. The Company s share of net losses of Immeon is limited to the extent of the Company s investment in, advances to and financial guarantees that create additional basis in the Immeon. The Company s share of losses and advances to Immeon have reduced our investment to zero at March 31, 2001. The Company s share of the operating loss of Immeon for fiscal year 2001 is $558,000.

Note 13 Segment Information

We are organized primarily on the basis of products with commercial and defense communication applications, represented by ViaSat Satellite Networks which operates primarily in the commercial market and Communication Systems Group which operates primarily in the defense market. As new areas of our business grow, such as broadband systems, additional operating segments may be reported in the future.

The following table summarizes revenues and operating profits by operating segment for the fiscal year ended March 31, 2001. The acquisition of the Satellite Networks Business resulted in a second operating segment. Certain corporate general and administrative costs, amortization of intangible assets and the charge of acquired in-process research and development are not allocated to either segment and accordingly, are shown as reconciling items from segment operating profit and consolidated operating profit. Assets are not tracked by operating segment. Consequently, it is not practical to show assets by operating segments.

	Year Ended March 31, 2001
Revenues	
ViaSat Satellite Networks	$ 101,942,000
Communication Systems Group	62,410,000
Total revenues	164,352,000
Operating profits	
ViaSat Satellite Networks	8,968,000
Communication Systems Group	9,278,000
Segment operating profit before corporate and other	18,246,000
Corporate	551,000
Amortization of intangibles	(3,789,000)
Acquired in-process research and development	(2,334,000)

Total operating profits	$ 12,674,000

Revenue information by geographic area for the fiscal year ended March 31, 2001 is as follows:

	Year Ended March 31, 2001
North America	$130,011,000
Europe	15,375,000
Asia Pacific	17,198,000
Latin America	1,768,000
	$164,352,000

We distinguish revenues from external customers by geographic areas based on customer location.

The net book value of long-lived assets located outside North America was $37,000 at March 31, 2001.

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Note 14 Subsequent Events

June 21, 2001 the Company executed a one year Revolving/Term Loan Agreement of $25 million from Union Bank of California, N.A. and Washington Mutual Bank, with Union Bank of California, N.A., as Administrative Agent. Under the revolving facility and the term loan facility, the Company has the option to borrow at the bank s prime rate or at LIBOR plus, in each case, an applicable margin based on the ratio of our total debt to EBITDA (earnings before interest and taxes and depreciation and amortization). The agreement contains financial covenants that set maximum debt to EBITDA limits, minimum quarterly EBITDA limits, minimum quick ratio limit and a minimum tangible net worth limit.