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**Nuveen Investments Announces Progress on Refinancing  
Auction-Rate Preferred Shares in Municipal Closed-End Funds**

- **Liquidity Support and Remarketing Agent Arranged for Potential New VRDP**
- **Use of Municipal TOBs Also Planned**
- **Taxable CEF ARPS Refinancings Continue**
- **Conference Call to Discuss Latest Progress Scheduled for May 22**

CHICAGO, May 21, 2008 – Nuveen Investments, a leading global provider of investment services to institutions and high-net-worth investors, today announced further progress in the refinancing of Auction-Rate Preferred Shares (ARPS) issued by Nuveen municipal closed-end funds (CEFs). The firm said it has arranged for an initial commitment of up to \$1.75 billion of liquidity support from a major financial institution for potential issuances of Variable Rate Demand Preferred (VRDP), a new instrument designed to replace the ARPS currently used as leverage in the funds. VRDP would include an unconditional “put” feature making it potentially attractive to money market funds, which cannot currently invest in ARPS and to other qualified institutional investors. Nuveen also announced that another major financial institution has agreed to serve as the remarketing agent for an initial series of VRDP. The remarketing agent is the party that would set the dividend rates on VRDP and match buyers and sellers of VRDP on an ongoing basis. The VRDP liquidity support and the remarketing services are subject to the development and negotiation of definitive documentation and other conditions.



“Arranging for a liquidity backstop and a remarketing agent for the new VRDP are important milestones in our efforts to address the ARPS challenge, which began in February and continues to frustrate many investors and their financial advisors as well as issuers of ARPS,” said Bill Adams, Executive Vice President, Nuveen Investments. “If we are successful in completing our efforts to develop VRDP, and market it to investors, we believe we can achieve our key goals of reducing costs of leverage over time for common shareholders of Nuveen municipal funds while providing liquidity at par for ARPS holders.” Nuveen’s VRDP approach to refinancing ARPS in municipal closed-end funds could, if successful, also be used with taxable funds.

Nuveen continues to move as quickly as possible to bring an initial VRDP issue to market and believes an initial transaction could be completed within 30-60 days. Issuance of VRDP will be subject to approval by the funds’ Board of Trustees, which continues to receive regular briefings on progress made in this effort. Nuveen’s ability to complete an issuance within this timeframe will depend on market conditions, the willingness of tax-exempt money market funds and/or other institutional investors to invest in VRDP, obtaining necessary ratings for the VRDP, the need to comply with applicable laws and regulations, and the agreement by all parties, including the liquidity provider and others, to final terms of the transaction, among other factors.

### **Expanded Use of Municipal TOBs Also Planned**

Nuveen also announced that it plans to use Tender Option Bonds (TOBs) to help refinance ARPS in its municipal CEFs. TOBs are floating rate securities issued by trusts into which a fund has deposited municipal securities. The proceeds derived from the issuance of TOBs can be used to refinance ARPS. Many Nuveen CEFs already use TOBs as a portfolio structuring and duration management tool. Nuveen has been conducting a fund by fund analysis to identify appropriate opportunities to expand the funds’ current use of TOBs as an alternative form of leverage.

Nuveen expects, subject to approval by the funds’ Board, that some municipal funds whose scale and portfolios allow the creation of TOBs will use TOBs to redeem a modest portion of their ARPS as a potential complement to VRDP. ARPS refinancings using TOBs may not be as feasible for smaller funds and certain



state funds where the availability of bonds eligible for creating TOBs is limited. Subject to Board approval, Nuveen expects that by early June some funds will begin to announce the amount of ARPS they expect to redeem using TOBs as well as the potential timing of any redemptions. The redemption of ARPS using TOBs will not be contingent on the issuance of VRDP. The extent to which a fund may be able to use TOBs to redeem ARPS will depend on market conditions, the fund's portfolio composition, the cost of liquidity and the willingness of liquidity providers to support TOBs, among other factors.

"Although the use of TOBs may be limited, we believe that TOBs could be used in combination with VRDP to refinance the ARPS issued by our municipal funds and could give our municipal funds greater flexibility in managing leverage levels in the future" Adams said. "TOBs may also allow us to begin providing some liquidity for ARPS shareholders in advance of a potential issuance of VRDP."

### **Taxable CEF Refinancings Continue**

Late last week, two taxable Nuveen closed-end funds announced the redemption of \$375 million in ARPS. The announcements by Nuveen Floating Rate Income Fund (NYSE: JFR) and Nuveen Floating Rate Income Opportunity Fund (NYSE: JRO) raised to seven the number of Nuveen taxable funds that have initiated full or partial refinancing of the ARPS they have issued. Collectively, Nuveen taxable funds have announced refinancings of more than \$1.7 billion of their approximately \$4.3 billion in outstanding ARPS.

"We are pleased with our substantial progress in refinancing our taxable funds' ARPS," Adams said. "We expect that additional taxable funds will announce ARPS refinancings in coming weeks, subject to funds' Board approval, finalizing proposed financing terms and market conditions."



## Conference Call

Nuveen Investments will host a conference call at 10:00 a.m. Central Time on Thursday, May 22, 2008, to discuss this latest update. Nuveen anticipates high call volume and encourages attendees to access the call via the live streaming audio link to facilitate the registration process. Online participants will be able to submit questions. Attendees can access the teleconference on Nuveen's Web site, [www.nuveen.com](http://www.nuveen.com), or at <http://w.on24.com/r.htm?e=110585&s=1&k=091B8CC367BB94E587AFA68C155381A3>. Attendees who prefer to participate by phone can access the call by dialing (888) 562-3356 or (212) 729-5043 and referencing conference ID number 48642775.

A replay of the call will be available beginning shortly following the call through June 5, 2008. To access the replay, please visit the closed-end fund section of the company's website at [www.nuveen.com/cef](http://www.nuveen.com/cef). Those who prefer to listen to the replay by phone can dial (800) 642-1687 or (706) 645-9291, conference ID number 48642775. Call information and updates will be posted on Nuveen's new auction-rate preferred resource center at [www.nuveen.com/arps](http://www.nuveen.com/arps).

Nuveen Investments provides high quality investment services designed to help secure the long-term goals of institutions and high net worth investors as well as the consultants and financial advisors who serve them. Nuveen Investments markets its growing range of specialized investment solutions under the high-quality brands of NWQ, Santa Barbara, Tradewinds, Rittenhouse, Symphony and Nuveen, including the Nuveen HydePark Group. In total, the Company managed \$153 billion in assets as of March 31, 2008.

*No VRDP shares or TOBs have been registered under the Securities Act of 1933 (the Securities Act) or any state securities laws. Unless so registered, no VRDP shares or TOBs may be offered or sold in the United States except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. This press release is neither an offer to sell nor a solicitation of an offer to buy any of these securities.*

## **FORWARD LOOKING STATEMENTS**

*Certain statements made in this release are forward-looking statements. Actual future results or occurrences may differ significantly from those anticipated in any forward-looking statements due to numerous factors. These include, but are not limited to: the ability of Nuveen taxable funds to implement previously announced refinancing plans on a timely basis and to develop and finalize proposals to address the remaining ARPS issued by those funds (and obtain fund-by-fund approval of any such proposals by the funds' Board); the ability of the leveraged Nuveen funds that have not announced refinancing plans to develop and finalize fund-by-fund specific proposals to restructure the leverage of such funds, to obtain formal fund-by-fund Board approval of specific proposals as they are developed and finalized and to negotiate and obtain from third parties the necessary debt, credit and/or liquidity facilities and other commitments and agreements necessary for those Nuveen funds to refinance all or a portion their leverage on terms and conditions acceptable to the funds and in a timely manner; the ability of the leveraged Nuveen funds to negotiate and obtain from broker-dealers or other financial institutions the unconditional put commitments necessary for the issuance of VRDP on terms acceptable to the funds and in a timely manner; the acceptance by money market funds of VRDP as an appropriate investment for such funds; the acceptance by the market, and demand for, VRDP in amounts sufficient for any Nuveen fund to refinance all or a portion of its leverage; the need to obtain any necessary regulatory approvals for the issuance of VRDP or the implementation of the Nuveen funds' plans to restructure their leverage; the demand for TOBs in amounts sufficient for any Nuveen fund to refinance a portion of its leverage; the ability of certain leveraged Nuveen funds to negotiate and obtain from financial institutions the liquidity support in amounts necessary for the issuance of TOBs on terms acceptable to the funds and in a timely manner; other legal and regulatory developments; and other additional risks and uncertainties. Nuveen and the closed-end funds managed by Nuveen and its affiliates undertake no responsibility to update publicly or revise any forward-looking statements.*

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