

NUVEEN INSURED NEW YORK TAX FREE ADVANTAGE MUNICIPAL FUND

Form N-CSR

December 08, 2010

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

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-21211

Nuveen Insured New York Tax-Free Advantage Municipal Fund
(Exact name of registrant as specified in charter)

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

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

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

Date of fiscal year end: September 30

Date of reporting period: September 30, 2010

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

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

ITEM 1. REPORTS TO STOCKHOLDERS.

NUVEEN INVESTMENTS ANNOUNCES STRATEGIC COMBINATION WITH FAF ADVISORS

On July 29, 2010, Nuveen Investments announced that U.S. Bancorp will receive a 9.5% stake in Nuveen Investments and cash consideration in exchange for the long-term asset business of U.S. Bancorp's FAF Advisors. Nuveen Investments is the parent of Nuveen Asset Management (NAM), the investment adviser for the Funds included in this report.

FAF Advisors, which currently manages about \$25 billion of long-term assets and serves as the advisor of the First American Funds, will be combined with NAM, which currently manages about \$75 billion in municipal fixed income assets. Upon completion of the transaction, Nuveen Investments, which currently manages about \$160 billion of assets across several high-quality affiliates, will manage a combined total of about \$185 billion in institutional and retail assets.

This combination will not affect the investment objectives, strategies or policies of the Funds in this report. Over time, Nuveen Investments expects that the combination will provide even more ways to meet the needs of investors who work with financial advisors and consultants by enhancing the multi-boutique model of Nuveen Investments, which also includes highly respected investment teams at Hyde Park, NWQ Investment Management, Santa Barbara Asset Management, Symphony Asset Management, Tradewinds Global Investors and Winslow Capital.

The transaction is expected to close late in 2010, subject to customary conditions.

Chairman's

Letter to Shareholders

Dear Shareholder,

Recent months have revealed the fragility and disparity of the global economic recovery. In the U.S., the rate of economic growth has slowed as various stimulus programs wind down, exposing weakness in the underlying economy. In contrast, many emerging market countries are experiencing a return to comparatively high rates of growth. Confidence in global financial markets has been undermined by concerns about high sovereign debt levels in Europe and the U.S. Until these countries can begin credible programs to reduce their budgetary deficits, market unease and hesitation will remain. On a more encouraging note, while the global recovery is expanding existing trade imbalances, policy makers in the leading economies are making a sustained effort to create a global framework through which various countries can take complimentary actions that should reduce those imbalances over time.

The U.S. economy is subject to unusually high levels of uncertainty as it struggles to recover from a devastating financial crisis. Unemployment remains stubbornly high, due to what appears to be both cyclical and structural forces. Federal Reserve policy makers are implementing another round of quantitative easing, a novel approach to provide support to the economy. However, the high levels of debt owed both by U.S. consumers and the U.S. government limit the Fed's ability to engineer a stronger economic recovery.

The U.S. financial markets reflect the crosscurrents now impacting the U.S. economy. Today's historically low interest rates reflect the Fed's intervention in the financial markets and the demand for U.S. government debt by U.S. and overseas investors looking for a safe haven for investment. The continued corporate earnings recovery and recent electoral results are giving a boost to equity markets. Encouragingly, financial institutions are rebuilding their balance sheets and the financial reform legislation enacted last summer has the potential to address many of the most significant contributors to the financial crisis, although the details still have to be worked out.

In this difficult environment your Nuveen investment team continues to seek sustainable investment opportunities and, at the same time, remains alert for potential risks that may result from a recovery still facing many headwinds. As your representative, the Nuveen Fund Board monitors the activities of each investment team to assure that all maintain their investment disciplines. As always, I encourage you to contact your financial consultant if you have any questions about your investment in a Nuveen Fund.

On behalf of the other members of your Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Sincerely,

Robert P. Bremner
Chairman of the Board
November 22, 2010

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Portfolio Manager's Comments

Nuveen New York Investment Quality Municipal Fund, Inc. (NQN)
Nuveen New York Select Quality Municipal Fund, Inc. (NVN)
Nuveen New York Quality Income Municipal Fund, Inc. (NUN)
Nuveen Insured New York Premium Income Municipal Fund, Inc. (NNF)
Nuveen Insured New York Dividend Advantage Municipal Fund (NKO)
Nuveen Insured New York Tax-Free Advantage Municipal Fund (NRK)

Portfolio manager Cathryn Steeves reviews economic and municipal market conditions at both the national and state levels, key investment strategies, and the performance of these Funds for the twelve-month period ended September 30, 2010. Cathryn, who joined Nuveen in 1996, assumed portfolio management responsibility for these six Funds in 2006.

What factors affected the U.S. economy and municipal market during the twelve-month reporting period ended September 30, 2010?

During this reporting period, the U.S. economy remained under considerable stress, and both the Federal Reserve (Fed) and the federal government continued their efforts to improve the overall economic environment. For its part, the Fed held the benchmark fed funds rate in a target range of zero to 0.25% after cutting it to this record low level in December 2008. At its September 2010 meeting, the central bank renewed its commitment to keep the fed funds rate at "exceptionally low levels" for an "extended period." The Fed also stated that it was "prepared to take further policy actions as needed" to support economic recovery. The federal government continued to focus on implementing the economic stimulus package passed early in 2009 that was intended to provide job creation, tax relief, fiscal assistance to state and local governments, and expand unemployment benefits and other federal social welfare programs.

These and other measures produced some signs of economic improvement. In the third quarter of 2010, the U.S. gross domestic product achieved a preliminary growth rate of 2.0% on an annualized basis, the fifth consecutive quarter of positive growth and the first time this has been achieved since 2007-2008. The housing market also saw some improvement, with the average home price in the Standard & Poor's (S&P)/Case-Shiller Index rising 1.7% over the twelve months ended August 2010 (the most recent data available at the time this report was produced). This put home prices nationally up 6.7% from their low point in April 2009 and back to levels on par with those of late 2003. At the same time, inflation remained relatively tame, as the Consumer Price Index rose just 1.1% year-over-year as of September 2010. However, unemployment remained at historically high levels. As of September 2010, the national unemployment rate was 9.6%, down from 9.8% in September 2009.

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

Any reference to credit ratings for portfolio holdings refers to the highest rating assigned by a Nationally Recognized Statistical Rating Organization (“NRSRO”) such as Standard & Poor’s, Moody’s, or Fitch. AAA, AA, A and BBB ratings are investment grade; BB, B, CCC, CC, C and D ratings are below investment grade. Holdings and ratings may change over time.

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Municipal bond prices generally rose during this period, as the combination of strong demand and tight supply of new tax-exempt issuance to create favorable conditions. The reduced issuance of tax-exempt municipal debt was due in part to the introduction of the Build America Bond program in 2009. This new class of taxable municipal debt, created as part of the February 2009 economic stimulus package, currently offers municipal issuers a federal subsidy equal to 35% of a bond's interest payments, providing issuers with an alternative to traditional tax-exempt debt that often proves to be lower in cost. During the twelve months ended September 30, 2010, taxable Build America Bonds issuance totaled \$100.9 billion, accounting for 25% of new bonds issued in the municipal market.

Over the twelve months ended September 30, 2010, municipal bond issuance nationwide—both tax-exempt and taxable—totaled \$403.9 billion, an increase of 12% compared with the twelve-month period ended September 30, 2009. However, if taxable Build America Bond issuance were removed from the equation, the supply of tax-exempt bonds alone fell more than 7%.

How were the economic and market environments in New York during this period?

Over the period, New York showed signs of economic recovery as job growth in the state outpaced the national average. Hiring increased in professional and business services, health care, and the leisure and hospitality sectors. However, the state's financial sector continued to report job losses, as did construction and manufacturing, and state and local governments also continued to shed workers. With the uncertainty still surrounding the economic outlook combining with the impact of financial regulatory reform, some observers believe job growth in the financial sector may remain subdued for some time. As of September 2010, the unemployment rate in New York was 8.3%, down from 8.8% in September 2009 and below the U.S. average of 9.6%. News from the housing sector was also relatively positive. While housing prices in New York City rose a negligible 0.1% over the twelve months ended August 2010 (the most recent data available at the time this report was produced), the city was one of only eight major metropolitan areas to record positive annual growth rates for the period, according to the S&P/Case-Shiller Home Price Index. Because New York experienced relatively low rates of sub-prime lending during the housing boom, the state's percentage of homes in foreclosure remained well below the national average.

In August 2010, more than four months after the April 1st deadline, New York passed its budget for fiscal 2011. This represented an increase of 4% over fiscal 2010, closed a \$9.2 billion deficit through increased fees and taxes, and cut aid to schools. Current plans also call for laying off 1,000 state workers in early 2011. As of September 30, 2010, Moody's, S&P and Fitch rated New York general obligation debt at Aa2/AA/AA, respectively. For the twelve months ended September 30, 2010, municipal issuance in New York totaled \$42.2 billion, an increase of 15% from the previous twelve months. This ranked New York second among state issuers, behind California.

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

As previously mentioned, the supply of tax-exempt bonds declined nationally during this period, due in part to the issuance of taxable Build America Bonds. This program also impacted the availability of tax-exempt bonds in New York, which ranked second (after California) in terms of dollar amount of bonds issued under the Build America Bond program in 2010. For the twelve months ended September 30, 2010, Build America Bonds accounted for almost 29% of municipal supply in New York. Since interest payments from Build America Bonds represent taxable income, we do not view these bonds as good investment opportunities for the Funds.

Despite the constrained issuance of tax-exempt municipal bonds, we continued to find attractive value opportunities, taking a bottom-up approach to discovering undervalued sectors and individual credits with the potential to perform well over the long term. Our focus generally remained on premium coupon bonds with maturities between 20 and 30 years. During this period, we found value in several areas of the market, including health care, higher education, housing, utilities and transportation. With the investment policy changes that were implemented across the board in the Nuveen insured funds in early 2010, all of these Funds can now invest up to 20% of their net assets in uninsured investment-grade credits rated BBB- or higher. During the earlier part of this period, we found that bonds at the lower end of the quality spectrum offered value relative to historical credit spreads, and we took advantage of opportunities to add some of these uninsured bonds to NQN, NVN, NUN and NNF.

Some of our investment activity resulted from opportunities created by the provisions of the Build America Bond program. For example, tax-exempt supply was more plentiful in the health care and higher education sectors because, as 501(c)(3) (nonprofit) organizations, hospitals and private universities generally do not qualify for the Build America Bond program and must continue to issue bonds in the tax-exempt municipal market. Bonds with proceeds earmarked for refundings, working capital, and private activities also are not covered by the Build America Bond program, and this resulted in attractive opportunities in various other sectors of the market.

The impact of Build America Bonds also was evident in the area of longer-term issuance, as municipal issuers sought to take full advantage of the attractive financing terms offered by these bonds. Approximately 70% of Build America Bonds were issued with maturities of at least 30 years. Even though this significantly reduced the availability of tax-exempt credits with longer maturities, we continued to find good opportunities to purchase attractive longer-term bonds for these Funds.

Cash for new purchases during this period was generated primarily by the proceeds from bond calls and maturing bonds. On the whole, selling was relatively minimal, as the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of September 30, 2010, all six of these Funds continued to use inverse floating rate securities.¹ We employ inverse floaters as a form of leverage for a variety of reasons, including duration management, income enhancement and total return enhancement.

1 An inverse floating rate security, also known as an inverse floater, is a financial instrument designed to pay long-term tax-exempt interest at a rate that varies inversely with a short-term tax-exempt interest rate index. For the Nuveen Funds, the index typically used is the Securities Industry and Financial Markets Association (SIFMA) Municipal Swap Index (previously referred to as the Bond Market Association Index or BMA). Inverse floaters, including those inverse floating rate securities in which the Funds invested during this reporting period, are further defined within the Notes to Financial Statements and Glossary of Terms Used in this Report sections of this report.

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How did the Funds perform?

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

Average Annual Total Returns on Common Share Net Asset

Value

For periods ended 9/30/10

Fund	1-Year	5-Year	10-Year
NQN	8.42%	5.25%	7.05%
NVN	8.18%	5.24%	6.95%
NUN	7.87%	5.11%	6.69%
NNF	7.96%	5.08%	6.65%
NKO	6.88%	5.02%	N/A
NRK	6.70%	5.41%	N/A
Standard & Poor's (S&P) New York Municipal Bond Index ²	5.74%	5.13%	5.79%
Standard & Poor's (S&P) Insured Municipal Bond Index ³	5.72%	4.90%	5.88%
Lipper Single-State Insured Municipal Debt Funds Average ⁴	7.38%	4.95%	6.38%

For the twelve months ended September 30, 2010, the total returns on common share net asset value (NAV) for all six of these New York Funds exceeded the returns for the S&P Indexes. For this same period, NQN, NVN, NUN and NNF outperformed the average return for the Lipper Single-State Insured Municipal Debt Funds Average, while NKO and NRK lagged this measure.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, credit exposure and sector allocation. In addition, the use of structural leverage was an important positive factor affecting the Funds' performances over this period. The impact of structural leverage is discussed in more detail on page six.

During this period, municipal bonds with longer maturities generally outperformed those with shorter maturities, with credits at the shortest end of the municipal yield curve posting the weakest returns. The outperformance of longer term bonds was due in part to the decline in interest rates, particularly in the long intermediate and longer segments of the curve. The scarcity of tax-exempt bonds with longer maturities also drove up the prices of these bonds. Overall, duration and yield curve positioning proved positive for the performance of these Funds. All six of the Funds

benefited from their underweightings in bonds with shorter maturities and overweightings in the intermediate part of the yield curve, which performed well. Although the net impact of their duration and yield curve positioning was positive, NKO and NRK had relatively more exposure to the underperforming short end of the curve, which detracted from their performance compared with the other four Funds. This weighting differential was due to the fact that NKO and NRK have been able to invest up to 20% of their assets in uninsured investment-grade quality securities since their inception in 2002, while the other four Funds just recently gained this capability. During this period, when we were purchasing newer uninsured bonds with longer maturities for NQN, NVN, NUN and NNF and extending their durations, NKO and NRK had no additional room in their portfolios to add such bonds.

Credit exposure also played a role in performance. The demand for municipal bonds increased during this period driven by a variety of factors, including concerns about poten-

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

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

2The Standard & Poor's (S&P) New York Municipal Bond Index is an unleveraged, market value-weighted index designed to measure the performance of the tax-exempt, investment-grade New York municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

3The Standard & Poor's (S&P) Insured Municipal Bond Index is an unleveraged, market value-weighted national index designed to measure the performance of the insured U.S. municipal bond market. This index does not reflect any initial or ongoing expenses and is not available for direct investment.

4The Lipper Single-State Insured Municipal Debt Funds Average is calculated using the returns of all closed-end funds in this category for each period as follows: 1-year, 44 funds; 5-year, 44 funds; and 10-year, 24 funds. The performance of the Lipper Single-State Insured Municipal Debt Funds Average represents the overall average of returns for funds from eight different states with a wide variety of municipal market conditions. Lipper returns account for the effects of management fees and assume reinvestment of dividends, but do not reflect any applicable sales charges. The Lipper average is not available for direct investment.

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tial tax increases, the need to rebalance portfolio allocations and a growing appetite for additional risk. At the same time, the supply of new tax-exempt municipal paper declined, due largely to the Build America Bond program. As investors bid up municipal bond prices, bonds rated BBB or below and non-rated bonds generally outperformed those rated AAA. Credit exposure was especially positive in NQN, which had the smallest allocation of bonds rated AAA among these six Funds. While NKO and NRK had the heaviest weightings of bonds rated BBB or lower and non-rated bonds, their overall performances were hampered by their shorter durations, as explained above. In addition, NRK had the greatest exposure to the AAA category, which further detracted from its performance.

Individual holdings that positively contributed to the Funds' returns during this period included health care and housing bonds. Revenue bonds as a whole performed well, with transportation, leasing, and education among the other sectors that outperformed the general municipal market. Zero coupon bonds also were among the strongest performers. All of these Funds tended to be overweighted in the health care sector relative to the overall municipal market, which generally benefited their performances. This was partially offset by their underweighting of the transportation sector.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, continued to perform poorly during this period. While these securities continued to provide attractive tax-free income, the underperformance of these bonds can be attributed primarily to the price declines associated with their shorter effective maturities and higher credit quality. Among these Funds, NRK had the heaviest weighting of pre-refunded bonds, which detracted from its performance, while NQN held the fewest pre-refunded bonds. General obligation and other tax-supported bonds also struggled to keep pace with the municipal market return for the twelve months. All of these Funds were underweighted in tax-supported bonds, which lessened the impact of these holdings. Among the revenue sectors, resource recovery trailed the overall municipal market by the widest margin, and water and sewer bonds also turned in a weak performance. Bonds backed by the 1998 master tobacco settlement agreement also posted relatively poor returns. NKO and NRK, the only two of these Funds to hold lower-rated tobacco bonds, were underexposed to this sector, with allocations of approximately 2% each.

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

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

RECENT DEVELOPMENTS REGARDING THE FUNDS' LEVERAGED CAPITAL STRUCTURE

Shortly after their inceptions, each of the Funds issued auction rate preferred shares (ARPS) to create financial leverage. As noted in past shareholder reports, the ARPS

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issued by many closed-end funds, including these Funds, have been hampered by a lack of liquidity since February 2008. Since that time, more ARPS have been submitted for sale in each of their regularly scheduled auctions than there have been offers to buy. In fact, offers to buy have been almost completely non-existent since late February 2008. This means that these auctions have “failed to clear,” and that many, or all, of the ARPS shareholders who wanted to sell their shares in these auctions were unable to do so. This lack of liquidity in ARPS did not lower the credit quality of these shares, and ARPS shareholders unable to sell their shares continued to receive distributions at the “maximum rate” applicable to failed auctions, as calculated in accordance with the pre-established terms of the ARPS. In the recent market, with short-term rates at multi-generational lows, those maximum rates also have been low.

One continuing implication for common shareholders from the auction failures is that each Fund’s cost of leverage likely has been incrementally higher at times than it otherwise might have been had the auctions continued to be successful. As a result, each Fund’s common share earnings likely have been incrementally lower at times than they otherwise might have been.

As noted in past shareholder reports, the Nuveen funds’ Board of Directors/Trustees authorized several methods to refinance a portion of the Nuveen funds’ outstanding ARPS. Some funds have utilized tender option bonds (TOBs), also known as inverse floating rate securities, for leverage purposes. The amount of TOBs that a fund may use varies according to the composition of each fund’s portfolio. Some funds have a greater ability to use TOBs than others. Some funds have issued Variable Rate Demand Preferred (VRDP) Shares, a floating rate form of preferred stock. Some funds have issued MuniFund Term Preferred (MTP) Shares, a fixed rate form of preferred stock with a mandatory redemption period of five years.

While all these efforts have reduced the total amount of outstanding ARPS issued by the Nuveen funds, the funds cannot provide any assurance on when the remaining outstanding ARPS might be redeemed.

During 2010, 33 Nuveen leveraged closed-end funds, (including NUN), received a demand letter from a law firm on behalf of purported holders of common shares of each such fund, alleging that Nuveen and the funds’ officers and Board of Directors/ Trustees breached their fiduciary duties related to the redemption at par of the funds’ ARPS. In response, the Board established an ad hoc Demand Committee consisting of certain of its disinterested and independent Board members to investigate the claims. The Demand Committee retained independent counsel to assist it in conducting an extensive investigation. Based upon its investigation, the Demand Committee found that it was not in the best interests of each fund or its shareholders to take the actions suggested in the demand letters, and recommended that the full Board reject the demands made in the demand letters. After reviewing the findings and recommendation of the Demand Committee, the full Board of each fund unanimously adopted the Demand Committee’s recommendation.

Subsequently, 26 of the funds that received demand letters (including NUN) were named as nominal defendants in a putative shareholder derivative action complaint captioned Safier and Smith v. Nuveen Asset Management, et al. that was filed in the Circuit Court of Cook County, Illinois, Chancery Division (the “Cook County Chancery Court”) on July 27, 2010. Three additional funds were named as nominal defendants in a similar complaint captioned Curbow v. Nuveen Asset Management, et al. filed in the Cook County Chancery Court on August 12, 2010, and three additional funds were named as nominal

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defendants in a similar complaint captioned *Beidler v. Nuveen Asset Management, et al.* filed in the Cook County Chancery Court on September 21, 2010 (collectively, the “Complaints”). The Complaints, filed on behalf of purported holders of each fund’s common shares, also name Nuveen Asset Management as a defendant, together with current and former Officers and interested Director/Trustees of each of the funds (together with the nominal defendants, collectively, the “Defendants”). The Complaints contain the same basic allegations contained in the demand letters. The suits seek a declaration that the Defendants have breached their fiduciary duties, an order directing the Defendants not to redeem any ARPS at their liquidation value using fund assets, indeterminate monetary damages in favor of the funds and an award of plaintiffs’ costs and disbursements in pursuing the action. Nuveen Asset Management believes that the Complaints are without merit, and intends to defend vigorously against these charges.

As of September 30, 2010, the amounts of ARPS redeemed by the Funds are as shown in the accompanying table.

Fund	Auction Rate Preferred Shares Redeemed	% of Original Auction Rate Preferred Shares
NQN	\$144,000,000	100.0%
NVN	\$193,000,000	100.0%
NUN	\$ 36,225,000	18.4%
NNF	\$ 14,650,000	22.5%
NKO	\$ 61,000,000	100.0%
NRK	\$ 27,000,000	100.0%

MTP

During the current reporting period, NRK completed the issuance of \$27.68 million of 2.55%, Series 2015 MTP. The net proceeds from this offering were used to refinance the Fund’s outstanding ARPS at par. The newly-issued MTP shares trade on the New York Stock Exchange (NYSE) under the symbol “NRK Pr C”. MTP is a fixed-rate form of preferred stock with a mandatory redemption period, in this case, of five years. By issuing MTP, the Fund seeks to take advantage of the current historically low interest rate environment to lock in an attractive federally tax-exempt cost of leverage for a period as long as the term of the MTP. The Fund’s managers believe that issuing MTP may help the Fund mitigate the risk of a significant increase in their cost of leverage should short term interest rates rise sharply in the coming years.

VRDP

During the current reporting period, NQN and NVN issued \$112.3 and \$164.8 million, respectively, of VRDP to redeem at par its remaining outstanding ARPS. As noted previously, VRDP is a newly-developed instrument that essentially replaces all or a portion of the ARPS used as leverage and potentially could be used to refinance all or a portion of the ARPS of other funds. VRDP shares include a liquidity feature that allows holders of VRDP to have their shares purchased by a liquidity provider in the event that sell orders have not been matched with purchase orders

and successfully settled in a remarketing. VRDP is offered only to qualified institutional buyers, defined pursuant to Rule 144A under the Securities Act of 1933.

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

As of September 30, 2010, 83 out of the 84 Nuveen closed-end municipal funds that had issued ARPS have redeemed at par all or a portion of these shares. These redemptions bring the total amount of Nuveen’s municipal closed-end funds’ ARPS redemptions to approximately \$5.6 billion of the approximately \$11.0 billion outstanding.

For up-to-date information, please visit the Nuveen CEF Auction Rate Preferred Resource Center at: <http://www.nuveen.com/arps>.

RECENT CHANGES TO INVESTMENT POLICIES OF NUVEEN INSURED FUNDS

As a result of the “credit crunch” that began in 2007 and that led to the financial crisis that peaked in late 2008, the financial strength ratings assigned to most municipal bond insurers have been downgraded by the primary ratings agencies. These ratings downgrades generally have reduced, and any additional ratings downgrades may further reduce, the effective rating of many of the bonds insured by those bond insurers, including bonds held by the Funds. This in turn has sharply reduced, and in some cases may have eliminated, the value provided by such insurance. Nonetheless, the Fund’s holdings continue to be well diversified and on the whole, the underlying credit quality of its holdings are of medium to high quality. It is also important to note that municipal bonds historically have had a very low rate of default.

On May 3, 2010, the Nuveen funds’ Board of Directors/Trustees approved changes to the investment policies of all of the Nuveen insured municipal bond closed-end funds. The Board took this action in response to the continuing challenges faced by municipal bond insurers. The changes to each Fund’s investment policies are intended to increase the Fund’s investment flexibility in pursuing its investment objective, while retaining the insured nature of its portfolio.

The changes, which were effective immediately, provide that under normal circumstances, the Funds invest at least 80% of their net assets (as defined in Footnote 7—Management Fees and Other Transactions with Affiliates) in municipal securities that are covered by insurance guaranteeing the timely payment of principal and interest. For purposes of this 80%, insurers must have a claims-paying ability rated at least BBB- at the time of purchase by at least one independent rating agency. In addition, each Fund invests at least 80% of its net assets in municipal securities that are rated at least BBB- at the time of purchase (based on the higher of the rating of the insurer, if any, or the underlying security) by at least one independent rating agency, or that are unrated but judged to be of similar credit quality by Nuveen Asset Management, or that are backed by an escrow or trust account containing sufficient U.S. government or U.S. government agency securities or U.S. Treasury-issued State and Local Government Series securities to ensure timely payment of principal and interest. Inverse floating rate securities with underlying bonds that are covered by insurance are included for purposes of the 80%. Each Fund may also invest up to 20% of its net assets in municipal securities that are rated at least BBB- (based on the higher of the rating of the insurer, if any, or the underlying bond) or that are unrated but judged to be of comparable quality by Nuveen Asset Management.

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Common Share Dividend
and Share Price Information

During the twelve-month reporting period ended September 30, 2010, NVN, NUN and NNF each had three monthly dividend increases; NQN had two monthly increases; and NKO and NRK each had one monthly increase.

Due to normal portfolio activity, common shareholders of the following Funds received capital gains and/or net ordinary income distributions at the end of December 2009 as follows:

Fund	Long-Term Capital Gains (per share)	Short-Term Capital Gains and/or Ordinary Income (per share)
NKO	\$0.0019	\$0.0007
NRK	\$0.0407	\$0.0245

All of the Funds in this report seek to pay stable dividends at rates that reflect each Fund's past results and projected future performance. During certain periods, each Fund may pay dividends at a rate t