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Nuveen Enhanced Municipal Value Fund
Form N-CSR
January 07, 2013

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 811-22323

Nuveen Enhanced Municipal Value 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: October 31

Date of reporting period: October 31, 2012

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.

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Table of Contents

Chairman’s Letter to Shareholders	4
Portfolio Managers’ Comments	5
Fund Leverage and Other Information	11
Dividend and Price Information	13
Performance Overviews	15
Shareholder Meeting Report	19
Report of Independent Registered Public Accounting Firm	20
Portfolios of Investments	21
Statement of Assets and Liabilities	59
Statement of Operations	60
Statement of Changes in Net Assets	61
Financial Highlights	64
Notes to Financial Statements	68
Annual Investment Management Agreement Approval Process	79
Board Members and Officers	89
Reinvest Automatically, Easily and Conveniently	94
Glossary of Terms Used in this Report	96
Additional Fund Information	99

Chairman's
Letter to Shareholders

Dear Shareholders,

Investors have many reasons to remain cautious. The challenges in the Euro area continue to cast a shadow over global economies and financial markets. The political support for addressing fiscal issues is eroding as the economic and social impacts become more visible. Despite strong action by the European Central Bank, member nations appear unwilling to surrender sufficient sovereignty to unify the Euro area financial system or strengthen its banks. The gains made in reducing deficits, and the hard-won progress on winning popular acceptance of the need for economic austerity, are at risk. To their credit, European political leaders press on to find compromise solutions, but there is increasing concern that time is running out.

In the U.S., the extended period of increasing corporate earnings that enabled the equity markets to withstand the downward pressures coming from weakening job creation and slower economic growth appears to be coming to an end. The Fed remains committed to low interest rates and announced a third phase of quantitative easing (QE3) scheduled to continue until mid-2015. The recent election results have removed a major element of uncertainty in the U.S. political picture, but it remains to be seen whether the outcome will reduce the highly partisan atmosphere in Congress and enable progress on the many pressing fiscal and budgetary issues that must be resolved in the coming months.

During the last twelve months, U.S. investors have experienced a solid recovery in the domestic equity markets with increasing volatility as the "fiscal cliff" approaches. The experienced investment teams at Nuveen keep their eye on a longer time horizon and use their practiced investment disciplines to negotiate through market peaks and valleys to achieve long-term goals for investors. Experienced professionals pursue investments that will weather short-term volatility and at the same time, seek opportunities that are created by markets that overreact to negative developments. Monitoring this process is an important consideration for the Fund Board as it oversees your Nuveen Fund on your behalf.

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
December 20, 2012

4 Nuveen Investments

Portfolio Managers' Comments

Nuveen Municipal Value Fund, Inc. (NUV)
Nuveen AMT-Free Municipal Value Fund (NUW)
Nuveen Municipal Income Fund, Inc. (NMI)
Nuveen Enhanced Municipal Value Fund (NEV)

Portfolio managers Tom Spalding, Chris Drahn and Steve Hlavin discuss U.S. economic and municipal market conditions, key investment strategies and the twelve-month performance of these four national Funds. Tom has managed NUV since its inception in 1987, adding NUW at its inception in 2009, Chris assumed portfolio management responsibility for NMI in January 2011 and Steve has been involved in the management of NEV since its inception in 2009, taking on full portfolio management responsibility for this Fund in 2010.

What factors affected the U.S. economy and municipal market during the twelve-month reporting period ended October 31, 2012?

During this period, the U.S. economy's progress toward recovery from recession continued at a moderate pace. The Federal Reserve (Fed) maintained its efforts to improve the overall economic environment by holding the benchmark fed funds rate at the record low level of zero to 0.25% that it established in December 2008. Subsequent to the reporting period, the central bank decided during its December 2012 meeting to keep the fed funds rate at "exceptionally low levels" until either the unemployment rate reaches 6.5% or expected inflation goes above 2.5%. The Fed also affirmed its decision, announced in September 2012, to purchase \$40 billion of mortgage-backed securities each month in an effort to stimulate the housing market. In addition to this new, open-ended stimulus program, the Fed plans to continue its program to extend the average maturity of its holdings of U.S. Treasury securities through the end of December 2012. The goals of these actions, which together will increase the Fed's holdings of longer-term securities by approximately \$85 billion a month through the end of the year, are to put downward pressure on longer-term interest rates, make broader financial conditions more accommodative and support a stronger economic recovery as well as continued progress toward the Fed's mandates of maximum employment and price stability.

In the third quarter 2012, the U.S. economy, as measured by the U.S. gross domestic product (GDP), grew at an annualized rate of 2.7%, up from 1.3% in the second quarter, marking 13 consecutive quarters of positive growth. The Consumer Price Index (CPI)

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 managers 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.

Ratings shown are the highest rating given by one of the following national rating agencies: Standard & Poor's, Moody's Investors Service, Inc., or Fitch, Inc. Credit ratings are subject to change. AAA, AA, A, and BBB are investment grade ratings; BB, B, CCC, CC, C and D are below investment grade ratings. Certain bonds backed by U.S. Government or agency securities are regarded as having an implied rating equal to the rating of such securities. Holdings designated N/R are not rated by these national rating agencies.

rose 2.2% year-over-year as of October 2012, while the core CPI (which excludes food and energy) increased 2.0% during the period, staying just within the Fed's unofficial objective of 2.0% or lower for this inflation measure. As of November 2012 (subsequent to this reporting period), the national unemployment rate was 7.7%, the lowest unemployment rate since December 2008 and below the 8.7% level recorded in November 2011. The slight decrease in unemployment from 7.9% in October 2012 was primarily due to workers who are no longer counted as part of the workforce. The housing market, long a major weak spot in the economic recovery, showed signs of improvement, with the average home price in the S&P/Case-Shiller Index of 20 major metropolitan areas rising 3.0% for the twelve months ended September 2012 (most recent data available at the time this report was prepared). This marked the largest annual percentage gain for the index since July 2010, although housing prices continued to be off approximately 30% from their mid-2006 peak. The outlook for the U.S. economy remained clouded by uncertainty about global financial markets as well as the impending "fiscal cliff," the combination of tax increases and spending cuts scheduled to take effect beginning January 2013 and their potential impact on the economy.

Municipal bond prices generally rallied during this period, as strong demand and tight supply combined to create favorable market conditions for municipal bonds. Although the total volume of tax-exempt supply improved over that of the same period a year earlier, the issuance pattern remained light compared with long-term historical trends and new money issuance was relatively flat. This supply/demand dynamic served as a key driver of performance. Concurrent with rising prices, yields continued to decline across most maturities, especially at the longer end of the municipal yield curve and the curve flattened. In addition to the lingering effects of the Build America Bonds (BAB) program, which expired at the end of 2010 but impacted issuance well into 2012, the low level of municipal issuance reflected the current political distaste for additional borrowing by state and local governments facing fiscal constraints and the prevalent atmosphere of municipal budget austerity. During this period, we saw an increased number of borrowers come to market seeking to take advantage of the low rate environment through refunding activity, with approximately 60% of municipal paper issued by borrowers that were calling existing debt and refinancing at lower rates.

Over the twelve months ended October 31, 2012, municipal bond issuance nationwide totaled \$379.6 billion, an increase of 18.6% over the issuance for the twelve-month period ended October 31, 2011. As previously discussed, the majority of this increase was attributable to refunding issues, rather than new money issuance. During this period, demand for municipal bonds remained consistently strong, especially from individual investors (as evidenced in part by flows into mutual funds) and also from banks and crossover buyers such as hedge funds.

What key strategies were used to manage these Funds during this twelvemonth reporting period ended October 31, 2012?

In an environment characterized by tight supply, strong demand and lower yields, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that had the potential to perform well over the long term. During this period, NUV and NUW found value in health care and broad-based essential services bonds backed by taxes or other revenues. We also purchased tobacco credits when we found attractive valuation levels, which resulted in an increase in our allocation to these bonds, especially in NUW. NMI also emphasized health care bonds, as we increased our exposure to this sector over this period. In NEV, we added several corporate-backed, or industrial development revenue (IDR), credits, including bonds issued for Georgia-Pacific, Elizabeth River Crossing in Virginia, Anheuser Busch sewage facilities in New Jersey and Salt Verde Financial Corporation in Arizona for Citicorp-backed prepaid gas contracts.

During this period, each of these Funds took steps to enhance its positioning relative to risk, including credit risk and interest rate risk. In NUV and NUW, this involved purchasing higher credit quality bonds, with the goal of positioning the Funds slightly more defensively. NMI also increased its credit quality by slightly adding to weightings in higher grade bonds when reinvestment needs arose from calls and maturities. Our efforts in this area were based on the attractive values offered in higher quality sectors during this period and our belief that these Funds were already well positioned in the lower quality sectors. In NEV, we worked to reduce the interest rate risk of the Fund by allowing its duration to migrate lower until it was positioned neutrally relative to its benchmark. This was accomplished by taking advantage of opportunities to reinvest the proceeds from sales, bond calls, and matured bonds in segments of the yield curve other than the long end.

In NUV, NUW and NMI, cash for new purchases was generated primarily by the proceeds from an increased number of bond calls resulting from the growth in refinanc-ings. During this period, we worked to redeploy these proceeds as well as those from maturing bonds to keep the Funds as fully invested as possible. As the newest Fund, NEV had fewer maturing bonds and bond calls, especially during the second half of this period and trading activity was relatively light. Overall, selling in all of the Funds was rather limited because the bonds in our portfolios generally offered higher yields than those available in the current marketplace.

As of October 31, 2012, all four of these Funds continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management and income and total return enhancement. As part of our duration management strategies, NEV also invested in forward interest rates swaps to help reduce the duration of the Fund's portfolio. During this period, interest rates declined

and therefore these swaps had a mildly negative impact on performance. These swaps remained in place at period end.

How did the Funds perform during the twelve-month period ended October 31, 2012?

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 Net Asset Value
For periods ended 10/31/12

Fund	1-Year	5-Year	10-Year
NUV	12.62%	5.68%	5.63%
NMI	14.05%	7.04%	6.21%
S&P Municipal Bond Index**	9.56%	5.83%	5.35%
Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average**	12.81%	5.48%	5.11%

Fund	1-Year	Since Inception*
NUW	13.23%	11.79%
S&P Municipal Bond Index**	9.56%	5.19%
Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average**	12.81%	11.86%
NEV***	20.67%	10.00%
S&P Municipal Bond Index**	9.56%	6.19%
Lipper General & Insured Leveraged Municipal Debt Funds Classification Average**	18.77%	10.05%

For the twelve months ended October 31, 2012, the total returns on net asset value (NAV) for NUV, NUW and NMI exceeded the return on the S&P Municipal Bond Index. NUW and NMI also outperformed the average return for the Lipper General & Insured Unleveraged Municipal Debt Funds Classification Average, while NUV trailed this Lipper average by a narrow margin. For the same period, NEV outperformed the S&P Municipal Bond Index and the Lipper General & Insured Leveraged Municipal Debt Funds Classification Average.

Key management factors that influenced the Funds' returns during this period included duration and yield curve positioning, the use of derivatives in NEV, credit exposure and sector allocation. In addition, NEV's use of leverage was an important positive factor in its performance during this period. Leverage is discussed in more detail later in this report.

In an environment of declining rates and a flattening yield curve, municipal bonds with longer maturities generally outperformed those with shorter maturities during this

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 Performance Overview Page for your Fund in this report.

- * Since inception returns for NUW and NEV and their comparative index and benchmarks are from 2/25/09 and 9/25/09, respectively.
- ** Refer to Glossary of Terms Used in this Report for definitions. Indexes and Lipper averages are not available for direct investment.
- *** NEV is a leveraged Fund through investments in inverse floating rate securities, as discussed later in this report. The remaining three Funds in this report use inverse floating rate securities primarily for duration management and both income and total return enhancement.

8 Nuveen Investments

period. Overall, credits at the longest end of the municipal yield curve posted the strongest returns, while bonds at the shortest end produced the weakest results. For this period, duration and yield curve positioning was a major positive contributor to the performance of these Funds. Overall, NEV was the most advantageously positioned in terms of duration and yield curve, with the longest duration among these Funds. All of the Funds tended to be overweight in the longer segments of the yield curve that performed well and underweight at the shorter end of the curve that underperformed. In particular, the Funds benefited from their holdings of long duration bonds, many of which had zero percent coupons, which generally outperformed the market. During this period, NUV, NUW and NMI were overweight in zero coupon bonds.

Although NEV benefited from its longer duration, this Fund used forward interest rate swaps to reduce duration and moderate interest rate risk, as previously described. Because the interest rate swaps were used to hedge against a potential rise in interest rates, the swaps performed poorly as interest rates fell. This had a negative impact on NEV's total return performance for the period, which was offset by the Fund's overall duration and yield curve positioning and the strong performance of its municipal bond holdings.

Credit exposure was another important factor in the Funds' performance during these twelve months, as lower quality bonds generally outperformed higher quality bonds. This outperformance was due in part to the greater demand for lower rated bonds as investors looked for investment vehicles offering higher yields. As investors became more comfortable taking on additional investment risk, credit spreads or the difference in yield spreads between U.S. Treasury securities and comparable investments such as municipal bonds, narrowed through a variety of rating categories. As a result of this spread compression, all of these Funds benefited from their holdings of lower rated credits, especially NMI, which held the largest allocation of bonds rated BBB and the fewest combined AAA and AA bonds. Heavier weightings of AAA bonds in NUV and AA bonds in NEV detracted from these Funds' performance, although this was offset to a large degree in NEV by the Fund's strong exposure to non-rated and subinvestment grade credits.

During this period, revenue bonds as a whole outperformed the general municipal market. Holdings that generally made positive contributions to the Funds' returns included health care (together with hospitals), transportation, education, water and sewer and IDR bonds. All of these Funds benefited from their overweighting in health care, with NUV and NUW having the heaviest weightings. In addition, NUV, NUW and NEV had good weightings in transportation, especially toll roads in NEV. NEV also was helped by its overweighting in higher education and IDRs. Tobacco credits backed by the 1998 master tobacco settlement agreement also performed extremely well, helped in part by their longer effective durations. These bonds also benefited from market developments, including increased demand for higher yielding investments by

investors who had become less risk averse. In addition, based on recent data showing that cigarette sales had fallen less steeply than anticipated, the 46 states participating in the agreement stand to receive increased payments from the tobacco companies. As of October 31, 2012, all of these Funds, especially NUV and NUW, were overweight in tobacco bonds, which boosted their performance as tobacco credits rallied.

NEV's performance also benefited from improvement in two distressed holdings: student housing revenue bonds issued by the Illinois Finance Authority for the Fullerton Village project at DePaul University in Chicago and insured sewer revenue bonds issued by Jefferson County, Alabama. Both of these issues recovered meaningfully from the price level at which they had been purchased, which was advantageous for the Fund's performance.

In contrast, pre-refunded bonds, which are often backed by U.S. Treasury securities, were the poorest performing market segment during this period. The underperformance of these bonds can be attributed primarily to their shorter effective maturities and higher credit quality. Although their exposure to pre-refunded bonds declined over this reporting period, NUV held a significantly heavier weighting of pre-refunded bonds than NMI. As newer Funds, NUW and NEV had substantially smaller allocations of pre-refunded bonds. General obligation (GO) bonds and housing and utilities (e.g., resource recovery, public power) credits also lagged the performance of the general municipal market for this period. All four of these Funds had relatively lighter exposures to GOs, which lessened the impact of these holdings.

Fund Policy Changes

On September 20, 2012, NUW's Board of Trustees approved changes to the Fund's investment policy regarding its practice of not investing in municipal securities that pay interest taxable under the federal alternative minimum tax applicable to individuals (AMT Bonds). Effective October 15, 2012, the Fund's investment policy was updated to state that the Fund will invest at least 80% of its managed assets in municipal securities that pay interest exempt from the federal alternative minimum tax applicable to individuals (AMT). Concurrent with the investment policy changes, the Fund changed its name from Nuveen Municipal Value Fund 2 (NUW) to Nuveen AMT-Free Municipal Value Fund (NUW).

Fund Leverage and
Other Information

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of NEV, relative to its comparative index was its use of leverage. This was also a factor, although less significantly, for NUW, because its use of leverage is more modest and much less significantly for NUV and NMI, where the use of leverage is close to zero. The Fund's use leverage because its managers believe that, over time, leveraging provides opportunities for additional income and total return for shareholders. However, use of leverage also can expose shareholders to additional volatility. For example, as the prices of securities held by the Fund decline, the negative impact of these valuation changes on net asset value and 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 the Fund generally are rising. Leverage made a positive contribution to the performance of the Funds over this reporting period.

RISK CONSIDERATIONS

Fund shares are not guaranteed or endorsed by any bank or other insured depository institution, and are not federally insured by the Federal Deposit Insurance Corporation. Past performance is no guarantee of future results. Fund common shares are subject to a variety of risks, including:

Investment and Market Risk. An investment in 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.

Price Risk. Shares of closed-end investment companies like these Funds frequently trade at a discount to their NAV. 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.

Tax Risk. The tax treatment of Fund distributions may be affected by new IRS interpretations of the Internal Revenue Code and future changes in tax laws and regulations.

Issuer Credit Risk. This is the risk that a security in a Fund's portfolio will fail to make dividend or interest payments when due.

Interest Rate Risk. Fixed-income securities such as bonds, preferred, convertible and other debt securities will decline in value if market interest rates rise.

Reinvestment Risk. If market interest rates decline, income earned from a Fund's portfolio may be reinvested at rates below that of the original bond that generated the income.

Call Risk or Prepayment Risk. Issuers may exercise their option to prepay principal earlier than scheduled, forcing a Fund to reinvest in lower-yielding securities.