

Nuveen Multi-Strategy Income & Growth Fund 2
Form PRE 14A
September 02, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement.
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2)).**
- Definitive Proxy Statement.
- Definitive Additional Materials.
- Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (check the appropriate box):

- No fee required.
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 - 1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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- o Fee paid previously with preliminary materials.
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1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

**Important Information for
Shareholders of Nuveen Multi-Strategy Income and Growth Fund 2 (JQC)**

At a special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund 2 (JQC) (the Fund), you will be asked to vote on the approval of a change to the Fund 's fundamental investment restriction regarding concentration in connection with a broader initiative to reposition the Fund. Although we recommend that you read the complete Proxy Statement, for your convenience, we have provided the following brief overview of the matters to be voted on.

Q. Why did I receive this Proxy?

A. This Proxy was sent to you, because as of September 7, 2011, you were a shareholder of the Fund. The Board of Trustees of the Fund (the Board) has authorized the Fund to reposition its portfolio and adopt a single-strategy investment approach that looks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans. The Board also approved a number of related changes described in more detail below to accomplish this objective. Most of the changes in connection with the repositioning do not require shareholder approval. You are being asked to vote on one specific change that requires shareholder approval. In particular, you are being asked to consider the approval of a change to the Fund 's fundamental concentration policy as a result of the Fund 's repositioning.

Q. What is the goal of the Fund 's proposed repositioning plan?

A. The goal of the proposed repositioning is to increase the attractiveness of the Fund 's common shares and narrow the Fund 's trading discount by:

Simplifying the Fund to focus on one of its current core portfolio strategies;

Positioning the Fund in a closed-end fund category that is well understood and has historically seen more consistent secondary market demand; and

Differentiating the Fund from similar funds, including other Nuveen closed-end funds in the same fund category.

Q. What are the proposed changes to the investment policies of the Fund?

A. The Fund 's investment objective of high current income with a secondary objective of total return will remain unchanged. The Fund currently invests its assets to maintain a strategic exposure target of approximately 70% in income-oriented debt securities (preferred securities and fixed- and floating-rate debt, including high yield debt and senior loans) and 30% in equities and equity-like securities (convertibles and domestic and international equities). In connection with the repositioning, the Fund will adopt a single-strategy investment approach that looks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans. Upon completion of the repositioning, under normal market circumstances, the Fund will invest at least 70% of its managed assets in senior secured and second lien loans. The Fund will also opportunistically invest up to 30% of its managed assets across the capital structure of companies (including in equity securities), with a primary emphasis on high yield bonds, convertible securities and other forms of income-producing securities.

Q. What is the proposal that I am being asked to vote on?

A. The proposal seeks your approval to amend the Fund's fundamental policy with respect to industry concentration to eliminate the requirement to concentrate at least 25% of its investments in the financial services industry. The Fund adopted its current concentration policy because of its historical emphasis on preferred securities, which are predominantly issued by companies in the financial services industry. In order to implement the broad-based, debt-oriented strategy that is contemplated following the repositioning, the Adviser recommended, and the Board approved, a new fundamental policy that provides that the Fund would not invest more than 25% of its total assets in any industry, including the financial services industry. You are being asked to approve the new fundamental policy.

Q. How will the repositioned Fund differ from other similar Nuveen closed-end Funds?

A. The Fund will take a different approach from the four other Nuveen closed-end funds sub-advised exclusively by Symphony Asset Management, LLC (Symphony), an existing sub-adviser of the Fund and an affiliate of the Adviser, which will assume responsibility for managing the Fund's entire portfolio upon completion of the repositioning. The Fund will pursue a broad-based credit strategy with a core allocation to loans. The Fund will seek to offer investors access to opportunities across the capital structure of companies from senior secured debt to common equity.

Q. Will there be any other changes to the Fund as a result of the proposal?

A. If shareholders approve the proposal described in this Proxy Statement, the Fund will implement a number of related changes to achieve the repositioning of the Fund. Nuveen Fund Advisors, Inc. (the Adviser), the investment adviser to the Fund, recommended and the Board has approved the following actions in connection with the repositioning: (1) changing the Fund's investment policies to adopt a single-strategy investment approach that seeks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans, (2) subject to a transition period, terminating two of the Fund's three existing sub-advisers, (3) changing the name of the Fund to Nuveen Credit Strategies Income Fund, and (4) discontinuing the current quarterly managed distribution policy and commencing monthly income distributions (collectively with the fundamental policy change, the Repositioning Plan).

Q. Will the repositioning increase the Fund's expense ratio?

A. The Repositioning Plan will not result in an increase in the Fund's operating expense ratio. In light of certain operating efficiencies that are expected to result from the repositioning, the Adviser has agreed to permanently reduce by 2 basis points (0.02%) its management fee rate if shareholders approve the proposal, which would result in a commensurate reduction in the Fund's operating expense ratio.

Q. Will there be any one-time costs associated with the Fund's repositioning?

A. The Fund pays transaction costs, such as commissions or dealer mark-ups, when it buys and sells securities. It is anticipated that the repositioning of the Fund's portfolio will result in significant portfolio turnover, which will result in higher explicit (i.e., trading commissions) and implicit (i.e., dealer mark-ups) transaction costs than would otherwise

be incurred. Such costs will reduce the total return on net asset value to common shareholders. The Adviser and the Board believe that the potential benefits of the repositioning in terms of improved market price of the Fund's common shares relative to net asset value will outweigh the reduction in the Fund's net asset value due to the trading costs associated with the repositioning.

Q. Will the portfolio repositioning be a taxable event to Fund shareholders?

A. Although the Fund may realize gains or losses from the sale of existing portfolio securities, it is expected that the Fund's capital loss carry-forwards will offset any net realized capital gains.

Q. When will the Repositioning Plan take effect?

A. The Repositioning Plan will take effect as soon as possible following shareholder approval of the change to the Fund's fundamental concentration policy. It is anticipated that the Fund's name change and the new distribution policy will take effect upon completion of the portfolio repositioning. Subject to market conditions, the repositioning is expected to be completed as soon as practicable after shareholder approval.

Q. What happens if shareholders do not approve the proposal?

A. If shareholders do not approve the change to the Fund's fundamental concentration policy, the Board will consider other alternatives for the Fund as it deems appropriate and in the best interest of the Fund. In such a case, some or all components of the Repositioning Plan may not take effect.

Q. How does the Board suggest that I vote?

A. After careful consideration, the Board recommends that you vote **FOR** the approval of the proposal.

Q. Who do I call if I have questions?

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

Q. How do I vote my shares?

A. You may vote by mail, by telephone or over the Internet:

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

Q. Will anyone contact me?

- A.** You may receive a call from Computershare Fund Services, the proxy solicitor hired by the Fund, to verify that you received your proxy materials, to answer any questions you may have about the proposal and to encourage you to vote your proxy.

We recognize the inconvenience of the proxy solicitation process and would not impose on you if we did not believe that the matters being proposed were important and in the best interests of the Fund's shareholders. Once your vote has been registered with the proxy solicitor, your name will be removed from the solicitor's follow-up contact list.

Your vote is very important. We encourage you as a shareholder to participate in the Fund's governance by returning your vote as soon as possible. If enough shareholders fail to cast their votes, the Fund may not be able to hold its meeting or the vote on the proposal, and will be required to incur additional solicitation costs in order to obtain sufficient shareholder participation.

_____, 2011

Dear Shareholders:

We are pleased to invite you to the special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund 2 (JQC) (the Fund) (the Special Meeting). The Special Meeting is scheduled for November 18, 2011, at 2:00 p.m., Central time, in the offices of Nuveen Investments, Inc., 333 West Wacker Drive, Chicago, Illinois 60606.

At the Special Meeting, you will be asked to consider and approve a change to the Fund's fundamental investment restriction regarding industry concentration. Nuveen Fund Advisors, Inc. (the Adviser) proposed, and the Board of Trustees of the Fund has approved, repositioning the Fund by modifying its principal investment strategies. In particular, the Adviser proposed and the Board approved investment policy changes for the Fund that would result in the Fund adopting a single-strategy investment approach that looks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans. As a result of the proposed changes, the Fund's current fundamental concentration policy will no longer be applicable, and you are being asked to amend the Fund's fundamental concentration policy to remove the financial services industry concentration.

The attached Proxy Statement has been prepared to give you information about this proposal.

All shareholders are cordially invited to attend the Special Meeting. In order to avoid delay and additional expense for the Fund, and to assure that your shares are represented, please vote as promptly as possible, whether or not you plan to attend the Special Meeting. You may vote by mail, telephone or over the Internet.

To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States.

To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide.

To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

We appreciate your continued support and confidence in Nuveen and our family of funds.

Very truly yours,

Kevin J. McCarthy

Vice President and Secretary

**333 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60606
(800) 257-8787
NOTICE OF SPECIAL MEETING
OF SHAREHOLDERS
NOVEMBER 18, 2011
_____, 2011**

To the Shareholders of Nuveen Multi-Strategy Income and Growth Fund 2 (JQC):

Notice is hereby given that a special meeting of shareholders of Nuveen Multi-Strategy Income and Growth Fund (the Fund), will be held in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on November 18, 2011, at 2:00 p.m., Central time (the Special Meeting), for the following purpose and at any and all adjournments thereof:

1. To amend the Fund s fundamental investment restriction regarding concentration.
2. To transact such other business as may properly come before the Special Meeting.

Shareholders of record at the close of business on September 7, 2011 are entitled to notice of and to vote at the Special Meeting.

All shareholders are cordially invited to attend the Special Meeting. In order to avoid delay and additional expense and to assure that your shares are represented, please vote as promptly as possible, regardless of whether or not you plan to attend the Special Meeting. You may vote by mail, telephone or over the Internet. To vote by mail, please mark, sign, date and mail the enclosed proxy card. No postage is required if mailed in the United States. To vote by telephone, please call the toll-free number located on your proxy card and follow the recorded instructions, using your proxy card as a guide. To vote over the Internet, go to the Internet address provided on your proxy card and follow the instructions, using your proxy card as a guide.

Kevin J. McCarthy
Vice President and Secretary

333 West Wacker Drive
Chicago, Illinois 60606
(800) 257-8787

PROXY STATEMENT
_____, 2011

This Proxy Statement is first being mailed to shareholders of Nuveen Multi-Strategy Income and Growth Fund 2 (JQC) (the Fund), on or about _____, 2011.

This Proxy Statement is furnished in connection with the solicitation by the Board of Trustees (the Board and each Trustee a Board Member and collectively, the Board Members) of the Fund of proxies to be voted at the Special Meeting of Shareholders to be held in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, on Friday, November 18, 2011, at 2:00 p.m., Central time (the Special Meeting), and at any and all adjournments thereof.

Proxies are being solicited from shareholders with respect to the following:

1. To amend the Fund s fundamental investment restriction regarding concentration.
2. To transact such other business that may properly come before the Special Meeting.

General Information

On the matter coming before the Special Meeting as to which a choice has been specified by shareholders on the proxy, the shares will be voted accordingly. If a properly executed proxy is returned and no choice is specified, the shares will be voted FOR the approval of the proposal listed in this Proxy Statement. Shareholders of the Fund who execute proxies may revoke them at any time before they are voted by filing with the Fund a written notice of revocation, by delivering a duly executed proxy bearing a later date, or by attending the Special Meeting and voting in person. Merely attending the Special Meeting, however, will not revoke any previously submitted proxy.

A quorum of shareholders is required to take action at the Special Meeting. A majority of the shares entitled to vote at the Special Meeting, represented in person or by proxy, will constitute a quorum of shareholders at that Special Meeting. Votes cast by proxy or in person at the Special Meeting will be tabulated by the inspectors of election appointed for the Special Meeting. The inspectors of election will determine whether or not a quorum is present at the Special Meeting. The inspectors of election will treat abstentions and broker non-votes (i.e., shares held by brokers or nominees, typically in street name, as to which (i) instructions have not been received from the beneficial owners or persons entitled to vote and (ii) the broker or nominee does not have discretionary voting power on a particular matter) as shares present for purposes of determining a quorum, but will not be voted for or against any proposal. Abstentions and broker non-votes will have the same effect as a vote against any proposal.

Those persons who were shareholders of record at the close of business on September 7, 2011 will be entitled to one vote for each share held and a proportionate fractional vote for each fractional share held. The Fund s common shares, which are listed on the New York Stock Exchange, are the only outstanding voting securities of the Fund. As of September 7, 2011, there were issued and outstanding _____ common shares of the Fund.

Background

The Fund has an investment objective of high current income with a secondary objective of total return. The Fund currently pursues its objectives by employing a multi-strategy investment approach and allocating its assets among the following primary investment mandates – preferred securities; senior loans, high-yield debt and convertible securities; and equity securities. Each investment mandate currently is managed by a separate manager. The Fund currently maintains a strategic exposure target of approximately 70% in income-oriented debt securities (preferred securities and fixed- and floating-rate debt, including high yield debt and senior loans) and 30% in equities and equity-like securities (convertibles and domestic and international equities). Although the Fund historically has performed well over time in comparison to its benchmark, the Fund has been unable to attract sufficient demand to enable its common shares to consistently trade well relative to its net asset value (NAV).

As part of the ongoing evaluation of the Fund and after evaluation of a broad range of alternatives to address the trading discount of the Fund’s common shares, including expanded share repurchases, tender offers, Fund restructuring, mergers or reorganizations, conversion to an open-end fund and liquidation, the Adviser proposed and the Board approved the repositioning of the Fund’s portfolio and adopted a single-strategy investment approach that seeks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans. As a result, the Board approved an amendment to the Fund’s fundamental policy with respect to industry concentration to eliminate the requirement to concentrate at least 25% of its investments in the financial services industry. The Adviser recommended and the Board approved a number of related changes to effect the repositioning of the Fund, including: (1) changing the Fund’s investment policies to adopt a single-strategy investment approach that looks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans, (2) subject to a transition period, terminating two of the Fund’s three existing sub-advisers, (3) changing the name of the Fund to Nuveen Credit Strategies Income Fund, and (4) discontinuing the current quarterly managed distribution policy and commencing monthly income distributions (collectively with the fundamental policy change, the Repositioning Plan). The goal of the proposed repositioning is to increase the attractiveness of the Fund’s common shares and narrow the Fund’s trading discount by:

Simplifying the Fund to focus on one of its current core portfolio strategies;

Positioning the Fund in a closed-end fund category that is well understood and has historically seen more consistent secondary market demand; and

Differentiating the Fund from similar funds, including other Nuveen closed-end funds in the same fund category.

Repositioning Plan

Investment Policy Changes. The Fund’s current investment objective of high current income with a secondary objective of total return will not change. The Adviser proposed and the Board approved investment policy changes for the Fund that would result in the Fund adopting a single-strategy investment approach that looks to invest across the capital structure of a company, with a primary emphasis on senior secured and second lien loans. Upon completion of the repositioning, the Fund will pursue a broad-based credit strategy with a core allocation to loans. The Fund will seek to offer investors access to opportunities across the capital structure of companies from senior secured debt to common equity. The Fund will invest in a core portfolio of at least 70% of managed assets in senior secured and second lien loans, and will also opportunistically invest up to 30% of its managed assets across the capital structure of companies (including in equity securities), with a primary emphasis on high yield bonds, convertible securities and other forms of income-producing securities.

Upon completion of the repositioning, the primary risks of investing in the Fund will be the risks associated with a debt-oriented portfolio, including credit risk, interest rate risk, high-yield bond risk,

and senior loan risk. While the Fund was previously subject to these risks as part of its multi-strategy debt portfolio, the Fund will no longer be diversified across multiple asset classes and strategies. As a result of the change to a single-strategy investment approach, risks associated with the portfolio segments that will no longer form a primary part of the new strategy (including preferred securities) will not be principal risks and the risks associated with debt securities and loans will be heightened. The Fund may continue to opportunistically invest in equity securities to a limited extent, in which case it will be subject to risks associated with equity securities, although it is not expected that those will be the primary risks of investing in the Fund. In addition, industry concentration risk will no longer apply. The Fund intends to continue to use leverage and does not expect to change the level of outstanding leverage in connection with the repositioning. Accordingly, the Fund will remain subject to leverage risk. As of June 30, 2011, the Fund had outstanding leverage in the form of borrowing through a prime brokerage facility in an amount representing 22.7% of total assets.

The Fund's investment objective is fundamental. The other investment policies described above, other than the concentration policy, are not fundamental and may be changed by the Board without shareholder approval.

Proposed Concentration Policy Change. The Adviser recommended and the Board approved a change to the Fund's fundamental policy regarding industry concentration to eliminate the requirement to concentrate in the financial services industry. This policy change is subject to shareholder approval and is described in detail below.

Sub-Adviser Changes. Spectrum Asset Management, Inc. (Spectrum), Symphony Asset Management, LLC (Symphony) and Tradewinds Global Investors, LLC (Tradewinds) currently serve as sub-advisers to the Fund pursuant to investment sub-advisory agreements with the Adviser. Symphony and Tradewinds are affiliates of the Adviser. Symphony has primary responsibility for investments in convertible, high yield and senior loan securities, and for certain domestic and international equity investments; Spectrum has primary responsibility for preferred securities; and Tradewinds has primary responsibility for opportunistic equity securities. As part of the Repositioning Plan, the Adviser proposed and the Board approved, the termination of the current sub-advisory agreements with Spectrum and Tradewinds. As a result, Symphony will serve as the sub-adviser with respect to the entire portfolio of the Fund upon the completion of the repositioning. Symphony utilizes an integrated, industry-focused approach that covers a company's entire capital structure from senior secured debt to common equity. Combining their thematic, top down investment approach with bottom up, fundamental security selection, the Symphony team focuses on relative value analysis to identify and exploit potential opportunities within capital structures of individual companies.

Spectrum and Tradewinds each will remain as sub-adviser for a period of time to assist in disposing of current portfolio holdings that are not compatible with the new strategy. In connection with the Repositioning Plan, the Adviser also proposed and the Board approved a change in Symphony's sub-advisory fee rate. Currently, Symphony's sub-advisory fee is calculated based on two different rate schedules, one for the multi-strategy income portion of the portfolio and the other for the equity portion of the portfolio managed by Symphony. As soon as practicable following shareholder approval, the sub-advisory agreement with Symphony will be amended to reflect a single fee schedule. The new sub-advisory fee schedule will reflect the higher fee rate payable to Symphony. In particular, the new fee schedule results in a reallocation of 2.5% of the management fee from the Adviser to Symphony with respect to assets previously allocated to the multi-strategy debt sleeve.

Management Fee Rate Changes. As discussed below, if shareholders approve the proposal, the Adviser has agreed to a permanent reduction of two basis points (0.02%) in the management fee rate payable under the investment advisory agreement, which would result in a commensurate reduction in the Fund's operating expense ratio.

Name Change. Upon completion of the repositioning of the Fund's portfolio, the Fund will change its name to Nuveen Credit Strategies Income Fund to better reflect the new investment approach.

Distribution Policy Change. Upon completion of the repositioning, the Fund will discontinue its current quarterly managed distribution policy (in which distributions may be sourced not just from income, but also from capital gains and, if necessary, return of capital), and commence monthly distributions of income. The repositioning is not expected to affect the level of the Fund's annualized distribution rate per share initially.

PROPOSAL

To Amend the Fund's Fundamental Investment Restriction Regarding Concentration

Introduction

As discussed above, in connection with the Repositioning Plan, shareholders are being asked to amend the Fund's fundamental investment restriction regarding concentration to remove the financial services industry concentration. The current policy and the proposed policy are set forth below.

Current Concentration Policy. The Fund may not invest more than 25% of its total assets in securities of issuers in any one industry other than the financial services industry; provided, however, that such limitation shall not apply to obligations issued or guaranteed by the United States Government or by its agencies or instrumentalities, and provided further that for purposes of this limitation the term "issuer" shall not include a lender selling a [participation] to the Fund together with any other person interpositioned between such lender and Fund with respect to a participation.

Proposed Concentration Policy. The Fund may not invest more than 25% of its total assets in securities of issuers in any one industry; provided, however, that such limitation shall not apply to obligations issued or guaranteed by the United States Government or by its agencies or instrumentalities, and provided further that for purposes of this limitation the term "issuer" shall not include a lender selling a participation to the Fund together with any other person interpositioned between such lender and Fund with respect to a participation (the "New Fundamental Policy").

Discussion of Proposal

The Fund's current fundamental investment policy is directly related to the Fund's historical emphasis on investments in preferred securities, which are predominantly issued by companies in the financial services industry. Under the current multi-strategy approach followed by the Fund, the Fund generally has targeted an allocation of approximately 50% to preferred securities. Under the single-strategy investment approach that has been approved as part of the Repositioning Plan, the Fund will no longer focus its investments in preferred securities. As a result, the requirement to concentrate in issuers in the financial services industry is no longer compatible with the Fund's investment approach. The Adviser and the Board believe that the New Fundamental Policy will allow the Fund to pursue the broad-based credit strategy contemplated by the Repositioning Plan. If shareholders approve the New Fundamental Policy, the Fund will no longer concentrate its investments in the securities of issuers in the financial services industry.

If shareholders approve the New Fundamental Policy, the Repositioning Plan will take effect as soon as practicable following the shareholder meeting. The Fund will bear the transaction costs, such as

commissions or dealer mark-ups, in connection with the repositioning. It is anticipated that the repositioning of the Fund's portfolio will result in significant portfolio turnover, which will result in higher explicit (i.e., trading commissions) and implicit (i.e., dealer mark-ups) transaction costs than would otherwise be incurred. Such costs will reduce the total return on NAV to common shareholders. The Adviser and the Board believe that the potential benefits of the repositioning in terms of improved market price of the Fund's common shares relative to net asset value will outweigh the reduction in the Fund's net asset value due to the trading costs associated with the repositioning. In addition, although the Fund may realize gains or losses from the sale of existing portfolio securities, it is expected that the Fund's capital loss carry-forwards will offset any net realized capital gains.

As part of the Fund's divestment of certain portfolio holdings, the Fund may engage in cross-trades with other Nuveen funds to the extent such transactions are permitted by the Investment Company Act of 1940 Act (the "1940 Act") and are effected in accordance with the Fund's procedures adopted pursuant to Rule 17a-7 under the 1940 Act. While the use of cross-trades may reduce a portion of the transaction costs associated with the repositioning, cross-trades present certain conflicts of interest, including risks associated with the manner in which such securities are priced.

Although the Repositioning Plan will not increase the Fund's operating expense ratio, in light of certain operating efficiencies that are expected to result from the repositioning, the Adviser has agreed to a permanent reduction to its management fee rate if shareholders approve the proposal. The management fee paid by the Fund to the Adviser is comprised of a Fund Level Fee and a Complex Level Fee, as amended. The Adviser has agreed to a permanent reduction of the Fund Level Fee in an amount equal to two basis points (0.02%) at each breakpoint level if the Repositioning Plan takes effect.

During the course of the year, the Adviser has been evaluating the investment strategy of the Fund and considering potential changes to the strategy in an effort to enhance the attractiveness of the Fund's common shares in the market place in order to help narrow the trading discount. Over the course of a number of meetings, the Board considered a variety of materials provided by the Adviser relating to the proposed repositioning of the Fund. The Board considered that the Fund would bear the transaction costs of purchasing and selling portfolio securities in connection with the repositioning the portfolio of the Fund and the proxy solicitation costs in seeking necessary shareholder approval, reviewed the estimated costs of, and steps to be followed in connection with, the transition, reviewed the estimated benefits to the Fund if the discount is narrowed, and considered that the Adviser has agreed to permanently reduce its management fee by two basis points if the proposal is approved. At its meeting on August 22, 2011, the Board determined that the Repositioning Plan was in the best interests of the Fund, and recommended that shareholders approve the proposal.

Required Vote

To amend the Fund's fundamental concentration policy, the proposal must be approved by the vote of the lesser of (i) 67% or more of the voting securities of the Fund that are present at the Special Meeting if holders of shares representing more than 50% of the outstanding voting securities of the Fund are present or represented by proxy at the Special Meeting or (ii) more than 50% of the outstanding voting securities of the Fund.

If shareholders approve the change to the Fund's fundamental concentration policy, the Repositioning Plan will take effect as soon as practicable following the Special Meeting. It is anticipated that the Fund's name change and the new distribution policy will take effect upon completion of the portfolio repositioning. Spectrum and Tradewinds will continue to serve as a sub-adviser to the Fund solely for purposes of assisting in disposing of portfolio securities currently managed by each firm that have been identified by Symphony as candidates for sale. Subject to market conditions, the repositioning

is expected to be completed as soon as practicable after shareholder approval. The current sub-advisory agreements with Spectrum and Tradewinds will be terminated following the disposition of such holdings.

If shareholders do not approve the change to the Fund's fundamental concentration policy, the Board will consider other alternatives for the Fund as it deems appropriate and in the best interest of the Fund. In such a case, the Board will reconsider whether or not to implement any components of the Repositioning Plan, and it is possible that some or all of the components of the Repositioning Plan will not take effect.

**The Board recommends that shareholders
vote FOR the approval of the proposal.**

Section 16(a) Beneficial Interest Reporting Compliance

Section 30(h) of the 1940 Act and Section 16(a) of the 1934 Act require Board Members, officers, the Adviser, affiliated persons of the Adviser and persons who own more than 10% of a registered class of the Fund's equity securities to file forms reporting their affiliation with that Fund and reports of ownership and changes in ownership of that Fund's shares with the SEC and the New York Stock Exchange. These persons and entities are required by SEC regulation to furnish the Fund with copies of all Section 16(a) forms they file. Based on a review of these forms furnished to the Fund, the Fund believes that its Board Members and officers, the Adviser and affiliated persons of the Adviser have complied with all applicable Section 16(a) filing requirements during its last fiscal year. To the knowledge of management of the Fund, no shareholder of the Fund owns more than 10% of a registered class of the Fund's equity securities. Please see Appendix _ for additional information on the ownership of Fund shares.

Shareholder Proposals

To be considered for presentation at the annual meeting of shareholders for the Fund to be held in 2012, shareholder proposals submitted pursuant to Rule 14a-8 of the 1934 Act must be received at the offices of the Fund, 333 West Wacker Drive, Chicago, Illinois 60606, not later than February 3, 2012. A shareholder wishing to provide notice in the manner prescribed by Rule 14a-4(c)(1) of a proposal submitted outside of the process of Rule 14a-8 for the annual meeting must, pursuant to the Fund's By-Laws, submit such written notice to the Fund not later than April 16, 2012 or prior to April 2, 2012. Timely submission of a proposal does not mean that such proposal will be included in a proxy statement.

Shareholder Communications

Fund shareholders who want to communicate with the Board or any individual Board Member should write to the attention of Lorna Ferguson, Manager of Fund Board Relations, Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois 60606. The letter should indicate that you are the Fund shareholder and note the Fund that you own. If the communication is intended for a specific Board Member and so indicates it will be sent only to that Board Member. If a communication does not indicate a specific Board Member, it will be sent to the Independent Chairman and the outside counsel to the Independent Board Members for further distribution as deemed appropriate by such persons.

Expenses of Proxy Solicitation

The cost of preparing, printing and mailing the enclosed proxy, accompanying notice and proxy statement and all other costs in connection with the solicitation of proxies will be paid by the Fund. Additional solicitation may be made by letter or telephone by officers or employees of Nuveen or the Adviser, or by dealers and their representatives. Any additional costs of solicitation will be paid by the Fund that requires additional solicitation.

Fiscal Year

The last fiscal year end for the Fund was December 31, 2010.

Annual Report Delivery

Annual reports will be sent to shareholders of record of the Fund following the Fund's fiscal year end. The Fund will furnish, without charge, a copy of its annual report and/or semi-annual report as available upon request. Such written or oral requests should be directed to the Fund at 333 West Wacker Drive, Chicago, Illinois 60606 or by calling 1-800-257-8787.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting To Be Held on November 18, 2011:

The Fund's proxy statement is available at [www.nuveen.com/CEF/Info/Shareholder/Proxy Statements.aspx](http://www.nuveen.com/CEF/Info/Shareholder/ProxyStatements.aspx). For more information, shareholders may also contact the Fund at the address and phone number set forth above.

Please note that only one annual report or proxy statement may be delivered to two or more shareholders of the Fund who share an address, unless the Fund has received instructions to the contrary. To request a separate copy of an annual report or proxy statement, or for instructions as to how to request a separate copy of such documents or as to how to request a single copy if multiple copies of such documents are received, shareholders should contact the applicable Fund at the address and phone number set forth above.

Information About the Adviser

The Adviser is located at 333 West Wacker Drive, Chicago, Illinois 60606. The Adviser is a wholly-owned subsidiary of Nuveen Investments, Inc. ("Nuveen"). Nuveen is a wholly-owned subsidiary of Windy City, a corporation formed by investors led by Madison Dearborn Partners, LLC ("MDP"), a private equity investment firm based in Chicago, Illinois. Windy City is controlled by MDP on behalf of the Madison Dearborn Capital Partner V funds.

General

Management does not intend to present and does not have reason to believe that any other items of business will be presented at the Special Meeting. However, if other matters are properly presented at the Special Meeting for a vote, the proxies will be voted by the persons acting under the proxies upon such matters in accordance with their judgment of the best interests of the Fund.

A list of shareholders entitled to be present and to vote at the Special Meeting will be available at the offices of the Fund, 333 West Wacker Drive, Chicago, Illinois, for inspection by any Fund shareholder during regular business hours beginning ten days prior to the date of the Special Meeting.

Failure of a quorum to be present at any Special Meeting will necessitate adjournment and will subject that Fund to additional expense. The persons named in the enclosed proxy may also move for an adjournment of any Special Meeting to permit further solicitation of proxies with respect to the proposal if they determine that adjournment and further solicitation is reasonable and in the best interests of the shareholders. Under the Fund's By-Laws, an adjournment of a meeting with respect to a matter requires the affirmative vote of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the meeting even though less than a quorum is so present.

IF YOU CANNOT BE PRESENT AT THE MEETING, YOU ARE REQUESTED TO FILL IN, SIGN AND RETURN THE ENCLOSED PROXY PROMPTLY. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES.

Kevin J. McCarthy
Vice President and Secretary
_____, 2011

APPENDIX A

Share Ownership

[As of _____, 2011, no shareholder beneficially owned more than 5% of any class of shares of the Fund.] [The following chart lists each shareholder or group of shareholders who beneficially owned more than 5% of shares of the Fund*:

| Shareholder Name and Address | Amount of Shares Owned | Percentage Owned % |
|------------------------------|------------------------------|--------------------------|
| | | % |

* The information contained in this table is based on Schedule 13G filings made on or after [_____, 20__].]

[As of _____, 2011, the trustees and officers of the Fund, as a group, owned less than 1% of the Fund's outstanding shares.] [The following trustees and/or officers beneficially owned 1% or more of a Fund's outstanding shares as of _____, 2011:]

A-1

Nuveen Investments
333 West Wacker Drive
Chicago, IL 60606-1286
(800) 257-8787
www.nuveen.com

**[FORM OF PROXY]
EVERY SHAREHOLDER'S VOTE IS IMPORTANT**

**VOTING
OPTIONS:**

VOTE ON THE INTERNET

Log on to:
www.proxy-direct.com
Follow the on-screen instructions
available 24 hours

VOTE BY PHONE

Call 1-_-_-____
Follow the recorded instructions
available 24 hours

VOTE BY MAIL

Vote, sign and date this Proxy Card
and return in the postage-paid
envelope

VOTE IN PERSON

Attend Shareholder Meeting
333 West Wacker Drive
Chicago, IL, 60606
on November 18, 2011

Please detach at perforation before mailing.

PROXY

**NUVEEN MULTI-STRATEGY INCOME AND GROWTH FUND 2
SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON November 18, 2011**

PROXY

THIS PROXY IS BEING SOLICITED BY THE BOARD OF TRUSTEES. The undersigned shareholder(s) of the Nuveen Multi-Strategy Income and Growth Fund 2, revoking previous proxies, hereby appoints Gifford R. Zimmerman, Kevin J. McCarthy and Kathleen Prudhomme, or any one of them true and lawful attorneys with power of substitution of each, to vote all shares of Nuveen Multi-Strategy Income and Growth Fund 2 which the undersigned is entitled to vote, at the Special Meeting of Shareholders to be held on November 18, 2011, at 2:00 p.m. Central time, in the offices of Nuveen Investments, 333 West Wacker Drive, Chicago, Illinois, 60606, and at any adjournment thereof as indicated on the reverse side.

In their discretion, the proxy holders named above are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof.

Receipt of the Notice of the Special Meeting and the accompanying Proxy Statement is hereby acknowledged. The shares of Nuveen Multi-Strategy Income and Growth Fund 2 represented hereby will be voted as indicated or FOR the proposal if no choice is indicated.

VOTE VIA THE INTERNET: www.proxy-direct.com

VOTE VIA THE TELEPHONE: 1-_-_-_-_-_-_-_-_-_-

999 9999 9999 999

Edgar Filing: Nuveen Multi-Strategy Income & Growth Fund 2 - Form PRE 14A

Note: Please sign exactly as your name(s) appear(s) on this card. When signing as attorney, executor, administrator, trustee, guardian or as custodian for a minor, please sign your name and give your full title as such. If signing on behalf of a corporation, please sign the full corporate name and your name and indicate your title. If you are a partner signing for a partnership, please sign the partnership name, your name and indicate your title. Joint owners should each sign these instructions. Please sign, date and return.

Signature and Title, if applicable

Signature (if held jointly)

Date

[CFS Doc Code]

EVERY SHAREHOLDER'S VOTE IS IMPORTANT

Important Notice Regarding the Availability of Proxy Materials for the Nuveen Multi-Strategy Income and Growth Fund 2

Shareholders Meeting to Be Held on November 18, 2011.

The Proxy Statement for this meeting is available at <https://www.proxy-direct.com/nuv>_____

**IF YOU VOTE ON THE INTERNET OR BY TELEPHONE,
YOU NEED NOT RETURN THIS PROXY CARD**

Please detach at perforation before mailing.

The Board of Trustees recommends a vote FOR the following proposal.

PLEASE MARK BOXES BELOW IN BLUE OR BLACK INK AS FOLLOWS. EXAMPLE: n

| | FOR | AGAINST | ABSTAIN |
|---|-----|---------|---------|
| 1. To amend the Fund's fundamental investment restriction regarding concentration. | o | o | o |
| 2. To transact such other business that may properly come before the Special Meeting. | o | o | o |

In their discretion, the proxy holders are authorized to vote upon such other matters as may properly come before the meeting or any adjournment thereof.

WE URGE YOU TO SIGN, DATE AND MAIL THIS PROXY PROMPTLY

[CFS Doc Code]

ter: 3pt;" width="20%">

\$310.35

| | | | | |
|------------|------------|----------|----------|----------|
| 01/02/2015 | 03/31/2015 | \$387.83 | \$286.95 | \$372.10 |
| 04/01/2015 | 06/30/2015 | \$445.99 | \$370.26 | \$434.09 |
| 07/01/2015 | 09/30/2015 | \$548.39 | \$429.70 | \$511.89 |
| 10/01/2015 | 12/31/2015 | \$693.97 | \$520.72 | \$675.89 |
| 01/04/2016 | 03/31/2016 | \$636.99 | \$482.07 | \$593.64 |
| 04/01/2016 | 06/30/2016 | \$728.24 | \$586.14 | \$715.62 |
| 07/01/2016 | 09/30/2016 | \$837.31 | \$725.68 | \$837.31 |

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| | | | | |
|-------------|-------------|------------|------------|------------|
| 10/03/2016 | 12/30/2016 | \$844.36 | \$719.07 | \$749.87 |
| 01/03/2017 | 03/31/2017 | \$886.54 | \$753.67 | \$886.54 |
| 04/03/2017 | 06/30/2017 | \$1,011.34 | \$884.67 | \$968.00 |
| 07/03/2017 | 09/29/2017 | \$1,052.80 | \$938.60 | \$961.35 |
| 10/02/2017 | 12/29/2017 | \$1,195.83 | \$957.10 | \$1,169.47 |
| 01/02/2018 | 03/29/2018 | \$1,598.39 | \$1,189.01 | \$1,447.34 |
| 04/02/2018 | 06/29/2018 | \$1,750.08 | \$1,371.99 | \$1,699.80 |
| 07/02/2018 | 09/28/2018 | \$2,039.51 | \$1,693.96 | \$2,003.00 |
| 10/01/2018* | 12/04/2018* | \$2,004.36 | \$1,495.46 | \$1,668.40 |

* As of the date of this final terms supplement available information for the fourth calendar quarter of 2018 includes data for the period from October 1, 2018 through December 4, 2018. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the fourth calendar quarter of 2018.

The graph below illustrates the performance of Amazon's common stock for the period indicated, based on information from Bloomberg. The solid line represents the trigger price of \$1,189.43, which is equal to 70.00% of the closing price on December 6, 2018. **Past performance of the Underlying Asset is not indicative of the future performance of the Underlying Asset.**

What are the Tax Consequences of the Securities?

The U.S. federal income tax consequences of your investment in the Securities are uncertain. There are no statutory provisions, regulations, published rulings or judicial decisions addressing the characterization for U.S. federal income tax purposes of securities with terms that are substantially the same as the Securities. Some of these tax consequences are summarized below, but we urge you to read the more detailed discussion in the

prospectus supplement under “What are the Tax Consequences of the Securities?” and the accompanying product supplement under “Material U.S. Federal Income Tax Consequences — Securities Treated as Prepaid Derivatives or Prepaid Forwards” and to discuss the tax consequences of your particular situation with your tax advisor. This discussion is based upon the Internal Revenue Code of 1986, as amended (the “Code”), final, temporary and proposed U.S. Treasury Department (the “Treasury”) regulations, rulings and decisions, in each case, as available and in effect as of the date hereof, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and non-U.S. laws are not addressed herein. No ruling from the U.S. Internal Revenue Service (the “IRS”) has been sought as to the U.S. federal income tax consequences of your investment in the Securities, and the following discussion is not binding on the IRS.

U.S. Tax Treatment. Pursuant to the terms of the Securities, UBS and you agree, in the absence of a statutory or regulatory change or an administrative determination or judicial ruling to the contrary, to characterize the Securities as pre-paid derivative contracts with respect to the underlying asset. If your Securities are so treated, you should generally recognize capital gain or loss upon the taxable disposition of your Securities in an amount equal to the difference between the amount you receive at such time and the amount you paid for your Securities. Such gain or loss should generally be long-term capital gain or loss if you have held your Securities for more than one year (otherwise such gain or loss would be short-term capital gain or loss if held for one year or less). However, it is possible that the IRS could assert that your holding period in respect of your Securities should end on the date on which the amount you are entitled to receive upon automatic call or maturity of your Securities is determined, even though you may not receive any amounts from the issuer in respect of your Securities prior to the automatic call or maturity of your Securities. In such a case, you may be treated as having a holding period in respect of your Securities prior to the automatic call or maturity of your Securities, and such holding period may be treated as less than one year even if you receive a payment upon the automatic call or maturity of your Securities at a time that is more than one year after the beginning of your holding period. The deductibility of capital losses is subject to limitations.

We will not attempt to ascertain whether the underlying asset issuer would be treated as a “passive foreign investment company” (a “PFIC”) within the meaning of Section 1297 of the Code or as a “United States real property holding corporation” (a “USRPHC”) within the meaning of Section 897 of the Code. If the underlying asset issuer were so treated, certain adverse U.S. federal income tax consequences might apply, to a U.S. holder in the case of a PFIC and to a non-U.S. holder in the case of a USRPHC, upon the taxable disposition of a Security. You should refer to information filed with the SEC or the equivalent governmental authority by the underlying asset issuer and consult your tax advisor regarding the possible consequences to you in the event that such entity is or becomes a PFIC or USRPHC.

In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, based on certain factual representations received from us, it would be reasonable to treat your Securities in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Securities, it is possible that your Securities could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization, such that the timing and character of your income from the Securities could differ materially and adversely from the treatment described above, as described further under “Material U.S. Federal Income Tax Consequences — Alternative Treatments for Securities Treated as Any Type of Prepaid Derivative or Prepaid Forward” in the accompanying product supplement. Because of this uncertainty, we urge you to consult your tax advisor as to the tax consequences of your investment in the Notes.

Notice 2008-2. In 2007, the IRS released a notice that may affect the taxation of holders of the Securities. According to Notice 2008-2, the IRS and the Treasury are actively considering whether the holder of an instrument such as the Securities should be required to accrue ordinary income on a current basis. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that under such guidance, holders of the Securities will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury are also considering other relevant issues, including whether additional gain or loss from such

instruments should be treated as ordinary or capital, whether non-U.S. holders of such instruments should be subject to withholding tax on any deemed income accruals, and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments. Both U.S. and non-U.S. holders are urged to consult their tax advisor concerning the significance and potential impact of the above considerations.

Except to the extent otherwise required by law, UBS intends to treat your Securities for U.S. federal income tax purposes in accordance with the treatment described above and under “Material U.S. Federal Income Tax Consequences — Securities Treated as Prepaid Derivatives or Prepaid Forwards” in the accompanying product supplement unless and until such time as the IRS and the Treasury determine that some other treatment is more appropriate.

Medicare Tax on Net Investment Income. U.S. holders that are individuals, estates, and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income”, which may include any income or gain realized with respect to the Securities, to the extent of their net investment income that when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), or \$125,000 for a married individual filing a separate return. The 3.8% Medicare tax is determined in a different manner than the income tax. U.S. holders should consult their tax advisors as to the consequences of the 3.8% Medicare tax to an investment in the Securities.

Specified Foreign Financial Assets. U.S. holders may be subject to reporting obligations with respect to their Securities if they do not hold their Securities in an account maintained by a financial institution and the aggregate value of their Securities and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds an applicable threshold. Significant penalties can apply if a U.S. holder is required to disclose its Securities and fails to do so.

Non-U.S. Holders. If you are a non-U.S. holder, subject to the discussion below regarding Section 871(m) of the Code and “FATCA,” you should generally not be subject to U.S. withholding tax with respect to payments on your Securities or to generally applicable information reporting and backup withholding requirements with respect to payments on your Securities if you comply with certain certification and identification requirements as to your non-U.S. status (by providing us (and/or the applicable withholding agent) with a fully completed and validly executed applicable IRS Form W-8). Subject to Section 871(m) of the Code, discussed below, gain from the taxable disposition of the Securities generally should not be subject to U.S. tax unless (i) such gain is effectively connected with a trade or business conducted by the non-U.S. holder in the U.S., (ii) the non-U.S. holder is a non-resident alien individual and is present in the U.S. for 183 days or more during the taxable year of such taxable disposition and certain other conditions are satisfied or (iii) the non-U.S. holder has certain other present or former connections with the U.S.

Section 871(m). A 30% withholding tax (which may be reduced by an applicable income tax treaty) is imposed under Section 871(m) of the Code on certain “dividend equivalents” paid or deemed paid to a non-U.S. holder with respect to a “specified equity-linked instrument” that references one or more dividend-paying U.S. equity securities. The withholding tax can apply even if the instrument does not provide for payments that reference dividends. Treasury regulations provide that the withholding tax applies to all dividend equivalents paid or deemed paid on specified equity-linked instruments that have a delta of one (“delta one specified equity-linked instruments”) issued after 2016 and to all dividend equivalents paid or deemed paid on all other specified equity-linked instruments issued after 2018. However, the IRS has issued guidance that states that the Treasury and the IRS intend to amend the effective dates of the Treasury regulations to provide that withholding on dividend equivalents paid or deemed paid will not apply to specified equity-linked instruments that are not delta one specified equity-linked instruments and are issued before January 1, 2021.

Based on our determination that the Securities are not “delta-one” with respect to the underlying asset, our counsel is of the opinion that the Securities should not be delta one specified equity-linked instruments and thus should not be subject to withholding on dividend equivalents. Our determination is not binding on the IRS, and the IRS may

disagree with this determination. Furthermore, the application of Section 871(m) of the Code will depend on our determinations made upon issuance of the Securities. If withholding is required, we will not make payments of any additional amounts.

Nevertheless, after issuance, it is possible that your Securities could be deemed to be reissued for tax purposes upon the occurrence of certain events affecting the underlying asset or your Securities, and following such occurrence your Securities could be treated as delta one specified equity-linked instruments that are subject to withholding on dividend equivalents. It is also possible that withholding tax or other tax under Section 871(m) of the Code could apply to the Securities under these rules if you enter, or have entered, into certain other transactions in respect of the underlying asset or the Securities. If you enter, or have entered, into other transactions in respect of the underlying asset or the Securities, you should consult your tax advisor regarding the application of Section 871(m) of the Code to your Securities in the context of your other transactions.

Because of the uncertainty regarding the application of the 30% withholding tax on dividend equivalents to the Securities, you are urged to consult your tax advisor regarding the potential application of Section 871(m) of the Code and the 30% withholding tax to an investment in the Securities.

Foreign Account Tax Compliance Act. The Foreign Account Tax Compliance Act (“FATCA”) was enacted on March 18, 2010, and imposes a 30% U.S. withholding tax on “withholdable payments” (i.e., certain U.S.-source payments, including interest (and original issue discount), dividends, other fixed or determinable annual or periodical gain, profits, and income, and on the gross proceeds from a disposition of property of a type which can produce U.S.-source interest or dividends) and “passthru payments” (i.e., certain payments attributable to withholdable payments) made to certain foreign financial institutions (and certain of their affiliates) unless the payee foreign financial institution agrees (or is required), among other things, to disclose the identity of any U.S. individual with an account of the institution (or the relevant affiliate) and to annually report certain information about such account. FATCA also requires withholding agents making withholdable payments to certain foreign entities that do not disclose the name, address, and taxpayer identification number of any substantial U.S. owners (or do not certify that they do not have any substantial U.S. owners) to withhold tax at a rate of 30%. Under certain circumstances, a holder may be eligible for refunds or credits of such taxes.

Pursuant to final and temporary Treasury regulations and other IRS guidance, the withholding and reporting requirements under FATCA will generally apply to certain “withholdable payments” made on or after July 1, 2014, certain gross proceeds on a taxable disposition occurring after December 31, 2018, and certain foreign passthru payments made after December 31, 2018 (or, if later, the date that final regulations defining the term “foreign passthru payment” are published). If withholding is required, we (or the applicable paying agent) will not be required to pay additional amounts with respect to the amounts so withheld. Foreign financial institutions and non-financial foreign entities located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

Investors should consult their tax advisors about the application of FATCA, in particular if they may be classified as financial institutions (or if they hold their Securities through a foreign entity) under the FATCA rules.

Proposed Legislation. In 2007, legislation was introduced in Congress that, if it had been enacted, would have required holders of Securities purchased after the bill was enacted to accrue interest income over the term of the Securities despite the fact that there will be no interest payments over the entire term of the Securities.

Furthermore, in 2013, the House Ways and Means Committee released in draft form certain proposed legislation relating to financial instruments. If it had been enacted, the effect of this legislation generally would have been to require instruments such as the Securities to be marked to market on an annual basis with all gains and losses to be treated as ordinary, subject to certain exceptions.

It is not possible to predict whether any similar or identical bills will be enacted in the future, or whether any such bill would affect the tax treatment of your Securities. You are urged to consult your tax advisor regarding the possible changes in law and their possible impact on the tax treatment of your Securities.

Both U.S. and non-U.S. holders are urged to consult their tax advisors concerning the application of U.S. federal income tax laws to their particular situation, as well as any tax consequences of the purchase, beneficial ownership and disposition of the Securities (including possible alternative treatments and the issues presented by Notice 2008-2) arising under the laws of any state, local, non-U.S. or other taxing jurisdiction.

Supplemental Plan of Distribution (Conflicts of Interest); Secondary Markets (if any)

We have agreed to sell to UBS Securities LLC and UBS Securities LLC has agreed to purchase, all of the Securities at the issue price to the public less the underwriting discount indicated on the cover of this final terms supplement, the document filed pursuant to Rule 424(b) containing the final pricing terms of the Securities. UBS Securities LLC has agreed to resell all of the Securities to UBS Financial Services Inc. at a discount from the issue price to the public equal to the underwriting discount indicated on the cover of this final terms supplement.

Conflicts of Interest - Each of UBS Securities LLC and UBS Financial Services Inc. is an affiliate of UBS and, as such, has a "conflict of interest" in this offering within the meaning of FINRA Rule 5121. In addition, UBS will receive the net proceeds (excluding the underwriting discount) from the initial public offering of the Securities and, thus creates an additional conflict of interest within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of Rule 5121. Neither UBS Securities LLC nor UBS Financial Services Inc. is permitted to sell Securities in the offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

UBS Securities LLC and its affiliates may offer to buy or sell the Securities in the secondary market (if any) at prices greater than UBS' internal valuation - The value of the Securities at any time will vary based on many factors that cannot be predicted. However, the price (not including UBS Securities LLC's or any affiliate's customary bid-ask spreads) at which UBS Securities LLC or any affiliate would offer to buy or sell the Securities immediately after the trade date in the secondary market is expected to exceed the estimated initial value of the Securities as determined by reference to our internal pricing models. The amount of the excess will decline to zero on a straight line basis over a period ending no later than 1 month after the trade date, provided that UBS Securities LLC may shorten the period based on various factors, including the magnitude of purchases and other negotiated provisions with selling agents. Notwithstanding the foregoing, UBS Securities LLC and its affiliates are not required to make a market for the Securities and may stop making a market at any time. For more information about secondary market offers and the estimated initial value of the Securities, see "Key Risks - Fair value considerations" and "Key Risks - Limited or no secondary market and secondary market price considerations" in this final terms supplement.

Prohibition of Sales to EEA Retail Investors — The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended ("MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC, as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Validity of the Securities

In the opinion of Cadwalader, Wickersham & Taft LLP, as special counsel to the issuer, when the Securities offered by this final terms supplement have been executed and issued by the issuer and authenticated by the trustee pursuant to the indenture and delivered, paid for and sold as contemplated herein, the Securities will be valid and binding obligations of the issuer, enforceable against the issuer in accordance with their terms, subject to applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium, receivership or other laws relating to or affecting creditors' rights generally, and to general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity). This opinion is given as of the date hereof and is limited to the laws of the State of New York. Insofar as this opinion involves matters governed by Swiss law, Cadwalader, Wickersham & Taft LLP has assumed, without independent inquiry or investigation, the validity of the matters opined on by Homburger AG, Swiss legal counsel for the issuer, in its opinion dated October 29, 2018 filed on that date with the Securities and Exchange Commission as Exhibit 5.3 to the issuer's registration statement on Form F-3 (the "Registration Statement"). In addition, this opinion is subject to customary assumptions about the trustee's authorization, execution and delivery of the indenture and, with respect to the Securities, authentication of the Securities and the genuineness of signatures and certain factual matters, all as stated in the opinion of Cadwalader, Wickersham & Taft LLP dated October 29, 2018 filed on that date with the Securities and Exchange Commission as Exhibit 5.4 to the Registration Statement.