Nuveen Enhanced Municipal Value Fund
Form N-CSR
January 07, 2019

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)

Gifford R. Zimmerman
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, 2018

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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Chairman's Letter to Shareholders

Dear Shareholders,

I am honored to serve as the new independent chairman of the Nuveen Fund Board, effective July 1, 2018. I'd like to gratefully acknowledge the stewardship of my predecessor William J. Schneider and, on behalf of my fellow Board members, reinforce our commitment to the legacy of strong, independent oversight of your Funds.

If stock markets are forward-looking, then the recently elevated volatility suggests the consensus view is changing. Rising interest rates, moderating corporate earnings growth prospects and unpredictable geopolitical events including trade wars and Brexit have clouded the horizon. With economic growth in China and Europe already slowing this year, and U.S. growth possibly peaking, investors are watching for clues as to the global economy's resilience amid these headwinds.

However, it's important to remember that interim market swings may not reflect longer-term economic conditions. Global growth is indeed slowing, but it's still positive. The U.S. economy remains strong, even in the face of late-cycle pressures. Low unemployment and firming wages should continue to support consumer spending, and the November mid-term elections resulted in no major surprises. In China, the government remains committed to using fiscal stimulus to offset softening exports. Europe also remains vulnerable to trade policy, but European corporate earnings have remained healthy and their central bank has reaffirmed its commitment to a gradual stimulus withdrawal. In a slower growth environment, there are opportunities for investors who seek them more selectively.

A more challenging landscape can distract you from your investment goals. But you can maintain long-term perspective by setting realistic expectations about short-term volatility and working with your financial advisor to evaluate your goals, timeline and risk tolerance. On behalf of the other members of the Nuveen Fund Board, we look forward to continuing to earn your trust in the months and years ahead.

Terence J. Toth

Chairman of the Board

December 21, 2018

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)

These Funds feature portfolio management by Nuveen Asset Management, LLC (NAM), an affiliate of Nuveen, LLC. Portfolio managers Daniel J. Close, CFA, Christopher L. Drahn, CFA, and Steven M. Hlavin discuss U.S. economic and municipal market conditions, key investment strategies and the twelve-month performance of these four national Funds. Dan has managed NUV and NUW since 2016. Chris assumed portfolio management responsibility for NMI in 2011. Steve has been involved in the management of NEV since its inception in 2009, taking on full portfolio management responsibility in 2010.

What factors affected the U.S. economy and the national municipal market during the twelve-month reporting period ended October 31, 2018?

The U.S. economy accelerated in this reporting period, with gross domestic product (GDP) growth reaching 4.2% (annualized) in the second quarter of 2018, the fastest pace since 2014, then receding to a still relatively robust 3.5% annualized rate in the third quarter of 2018, according to the Bureau of Economic Analysis "second" estimate. GDP is the value of goods and services produced by the nation's economy less the value of the goods and services used up in production, adjusted for price changes. The boost in economic activity during the second quarter of 2018 was attributed to robust spending by consumers, businesses and the government, as well as a temporary increase in exports, as farmers rushed soybean shipments ahead of China's retaliatory tariffs. While consumer and government spending continued to drive economic growth in the third quarter, the export contribution declined as expected and both business spending and housing investment weakened.

Consumer spending, the largest driver of the economy, remained well supported by low unemployment, wage gains and tax cuts. As reported by the Bureau of Labor Statistics, the unemployment rate fell to 3.7% in October 2018 from 4.1% in October 2017 and job gains averaged around 210,000 per month for the past twelve months. The jobs market has continued to tighten, while average hourly earnings grew at an annualized rate of 3.1% in October 2018. The Consumer Price Index (CPI) increased 2.5% over the twelve-month reporting period ended October 31, 2018 on a seasonally adjusted basis, as reported by the Bureau of Labor Statistics.

This material is not intended to be a recommendation or investment advice, does not constitute a solicitation to buy or sell securities, and is not provided in a fiduciary capacity. The information provided does not take into account the specific objectives or circumstances of any particular investor, or suggest any specific course of action. Investment decisions should be made based on an investor's objectives and circumstances and in consultation with his or her advisors.

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.

For financial reporting purposes, the ratings disclosed are the highest rating given by one of the following national rating agencies: Standard & Poor's Group (S&P), Moody's Investors Service, Inc. (Moody's) or Fitch, Inc. (Fitch). This treatment of split-rated securities may differ from that used for other purposes, such as for Fund investment policies. Credit ratings are subject to change. AAA, AA, A and BBB are investment grade ratings, while BB, B, CCC, CC, C and D are below investment grade ratings. Holdings designated N/R are not rated by these national rating agencies.

Bond insurance guarantees only the payment of principal and interest on the bond when due, and not the value of the bonds themselves, which will fluctuate with the bond market and the financial success of the issuer and the insurer. Insurance relates specifically to the bonds in the portfolio and not to the share prices of a Fund. No representation is made as to the insurers' ability to meet their commitments.

Refer to the Glossary of Terms Used in this Report for further definition of the terms used within this section.

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Portfolio Managers' Comments (continued)
Low mortgage rates and low inventory drove home prices higher during this recovery cycle. But the price momentum slowed in recent months as mortgage rates began to drift higher and homes have become less affordable. The S&P CoreLogic Case-Shiller U.S. National Home Price Index, which covers all nine U.S. census divisions, was up 5.5% in September 2018 (most recent data available at the time this report was prepared). The 10-City and 20-City Composites reported year-over-year increases of 4.8% and 5.1%, respectively.
With the U.S. economy delivering a sustainable growth rate and employment strengthening, the Federal Reserve's (Fed's) policy making committee continued to incrementally raise its main benchmark interest rate. The most recent increase, in September 2018, was the third rate hike in 2018 to date and the eighth rate hike since December 2015. Fed Chair Janet Yellen's term expired in February 2018, and incoming Chairman Jerome Powell indicated he would likely maintain the Fed's gradual pace of interest rate hikes. The September 2018 meeting confirmed the market's expectations of another increase in December 2018, followed by additional increases in 2019. Notably, the Fed's statement dropped "accommodative" from the description of its monetary policy, which Chairman Powell explained did not represent a change in the course of policy but rather an acknowledgement of the strengthening economy. Additionally, the Fed continued reducing its balance sheet by allowing a small amount of maturing Treasury and mortgage securities to roll off each month without reinvestment. The market expects the pace to remain moderate and predictable, with minimal market disruption.
Geopolitical news remained a prominent market driver. The U.S. moved forward with tariffs on imported goods from China, as well as on steel and aluminum from Canada, Mexico and Europe. These countries announced retaliatory measures in kind, intensifying concerns about a trade war, although there have been some positive developments. In July 2018, the U.S. and the Europe Union announced they would refrain from further tariffs while they negotiate trade terms, and in October 2018, the U.S., Mexico and Canada agreed to a new trade deal to replace the North American Free Trade Agreement. The U.S. and China resumed trade negotiations in August 2018, but the talks yielded little progress and President Trump subsequently mentioned imposing tariffs on the balance of Chinese goods. Brexit negotiations made modest progress, but the Irish border remained a sticking point and Prime Minister Theresa May was expected to face difficulty getting a plan approved in Parliament. Elsewhere in Europe, markets remained nervous about Italy's new euroskeptic coalition government, immigration policy and political risk in Turkey. The U.S. Treasury issued additional sanctions on Russia in April 2018 and re-imposed sanctions on Iran following the U.S. withdrawal from the 2015 nuclear agreement. Bearish crude oil supply news, along with heightened tensions between the U.S. and Saudi Arabia after the disappearance of a Saudi journalist, drove oil price volatility. On the Korean peninsula, the leaders of South Korea and North Korea met during April 2018 and jointly announced a commitment toward peace, while the U.S.-North Korea summit yielded an agreement with few additional details.
The broad municipal bond market posted a modestly negative return for this reporting period. As the economy gained momentum and the Fed continued to nudge its policy rate higher, interest rates rose across the yield curve. However, short-term rates increased by a wider margin than longer-term rates, which were anchored by modest inflation expectations, resulting in a flattening yield curve.
Along with the overall economic outlook, tax reform was a significant market driver for municipal bonds in this reporting period. Early drafts of the tax bill fostered significant uncertainty about the impact on the municipal bond market, leading municipal bonds to underperform taxable bonds in December 2017 and provoking issuers to rush bond offerings ahead of the pending tax law. Issuance in December 2017 reached an all-time high of $62.5 billion, exacerbating the market's price decline during the month. However, all of the supply was absorbed and municipal bond valuations subsequently returned to more typical levels.
The final tax reform legislation signed on December 27, 2017 largely spared municipal bonds and was considered neutral to positive for the municipal market overall. Notably, a provision that would have eliminated the tax-preferred status of 20% to 30% of the municipal bond market was not included in the final bill. Moreover, investors were relieved that the adopted changes apply only to newly issued municipal bonds and also could be beneficial from a technical standpoint. Because new issue advance refunding bonds are no longer tax exempt, the total supply of municipal bonds will decrease going forward, boosting the scarcity value of

existing municipal bonds. The new tax law also caps the state and local tax (SALT) deduction for individuals, which will likely increase demand for tax-exempt municipal bonds, especially in states with high income and/or property taxes.

Following the issuance surge in late 2017, issuance remained sharply lower in early 2018. However, the overall balance of municipal bond supply and demand remained advantageous for prices. Municipal bond issuance nationwide totaled $388.6 billion in this reporting period, a 0.3% increase from the issuance for the twelve-month reporting period ended October 31, 2018. The overall low level of interest rates encouraged issuers to continue to actively refund their outstanding debt. In these transactions the issuers are issuing new bonds and taking the bond proceeds and redeeming (calling) old bonds. These refunding transactions have ranged from 40% to 60% of total issuance over the past few years. Thus, the net issuance (all bonds issued less bonds redeemed) is actually much lower than the gross issuance. So, while gross issuance volume has been strong, the net has not, and this was an overall positive technical factor on municipal bond investment performance in recent years. Although the pace of refundings is slowing, net negative issuance is expected to continue.

Despite the volatility surrounding the potential tax law changes, demand remained robust and continued to outstrip supply. Low global interest rates have continued to drive investors toward higher after-tax yielding assets, including U.S. municipal bonds. As a result, municipal bond fund inflows have remained steady through the end of the reporting period.

What key strategies were used to manage these Funds during the twelve-month reporting period ended October 31, 2018?

Interest rates rose in this reporting period but not uniformly. The yield curve flattened as the rate increase on the short end outpaced that on the long end. The rise in yields weighed on bond prices, but the gradual pace of the increase kept municipal bond fund flows fairly stable. Supply and demand conditions remained favorable, and credit fundamentals were relatively robust. During this time, we continued to take a bottom-up approach to discovering sectors that appeared undervalued as well as individual credits that we believed had the potential to perform well over the long term.

Our trading activity continued to focus on pursuing the Funds' investment objectives. All four Funds engaged in elevated tax loss swap activity during this reporting period, as the rising interest rate environment provided attractive opportunities to do so. This strategy involves selling bonds that were bought when interest rates were lower and reinvesting the proceeds into bonds offering higher yield levels to capitalize on the tax loss (which can be used to offset future taxable gains) and boost the Funds' income distribution capabilities. Additionally during this reporting period, all four Funds replaced some New Jersey Tobacco Settlement bonds that were refunded.

NUV and NUW bought intermediate to longer maturities with mid-investment grade credit ratings. NUV added bonds across a diverse range of sectors while NUW made purchases in the state and local general obligation (GO) and dedicated tax sectors. To fund our buying, NUV and NUW mainly used call and maturity proceeds.

In NMI, we maintained the overweight allocations to lower investment grade credits (and corresponding underweights to high grade bonds), modestly adding to the overweights in the single-A and BBB rated categories while trimming the Fund's AAA and AA rated exposures. As a result of our preference for lower rated bonds, NMI continued to be overweighted in the health care (especially hospitals), transportation (airports and toll roads) and tobacco sectors, and underweighted in state and local GO bonds. NMI was also overweighted in the pre-refunded/escrowed sector, due to older existing holdings being advance refunded by new issues.

For NEV, we invested in tax loss swaps across a wide range of sectors including toll roads, airports, charter schools, higher education, health care and dedicated sales tax. In addition to the aforementioned tobacco bond calls, selected Chicago Board of Education and Marathon Oil bonds were called in this reporting period. Three of the Fund's tender option bond (TOB) trusts matured and new TOB trusts were established to maintain consistent leverage levels.

As of October 31, 2018, NUV, NUW and NEV continued to use inverse floating rate securities. We employ inverse floaters for a variety of reasons, including duration management, income enhancement and total return enhancement.

How did the Funds perform during the twelve-month reporting period ended October 31, 2018?
The tables in each Fund's Performance Overview and Holding Summaries section of this report provide the Funds' total returns for the one-year, five-year, ten-year and since inception periods ended October 31, 2018. Each Fund's total returns at net asset value (NAV) are compared with the performance of a corresponding market index.
For the twelve months ended October 31, 2018, the total returns at NAV for NUV and NUW underperformed the return for the national S&P Municipal Bond Index and NMI's and NEV's returns outperformed the return for the national index.
The factors affecting performance in this reporting period included yield curve and duration positioning, credit ratings allocation and sector allocation. Given differences in the maturity structures of the four Funds' portfolios, the performance impact of duration and yield curve positioning varied by Fund. For NUV, this positioning detracted from performance, driven by overweight allocations among the longest dated segments. NUW was hurt by an overweight to the 10- to 12-year category, but strong relative performance from an overweight at the very shortest (0- to 2-year) end of the yield curve compensated for the negative impact. NMI's slight overweight allocations to select longer maturities was offset to a great extent by underweights in some of the weaker performing intermediate parts of the curve. NEV maintained a longer average duration than the benchmark, which was unfavorable during the rising interest rate environment, but it was offset by the positive contribution from the Fund's underweight allocation to longer dated bonds.
For all four Funds, credit ratings allocations were strongly beneficial to performance. Credit spreads narrowed, helping lower rated bonds outperform high grade bonds in this reporting period. NMI, NUV and NUW were most aided by their overweights to BBB and single-B rated bonds. Single-B rated bonds are primarily tobacco securitization bonds, a sector that outperformed in this reporting period. NMI's modest overweight to the BB category also benefited performance. NEV held overweights to BBB rated, below investment grade and non-rated bonds, which added to excess return versus the benchmark.
Sector positioning was a positive contributor to NUV, NUW and NMI's performance. NUV and NUW were helped by their exposure to pre-refunded bonds, as well as by an overweight to health care in NUV and an underweight in higher education in NUW. Sector weightings were advantageous across NMI's overweights in tobacco and health care and underweight in GO bonds. Security selection in the health care sector also boosted performance. Both an overweight and security selection in Illinois bonds was another positive contributor to NMI, while having no exposure to Puerto Rico bonds slightly detracted from relative results. For NEV, the overall impact of sector allocations was neutral. NEV benefited from its overweight allocations to the tobacco and industrial development revenue/pollution control revenue (IDR/PCR) sectors. Within the IDR/PCR sector, the Fund saw standout performance from FirstEnergy Solutions bonds (see the Update on FirstEnergy Solutions Corp. commentary in this report) and Lombard Public Facilities Corporation, Illinois, Conference Center and Hotel revenue bonds, which appreciated significantly due to a bond exchange to restructure the debt. However, an overweight to the hospital sector, which declined slightly during this reporting period, as well as a bias toward higher quality credits within the sector, were detrimental to performance. The Fund also saw disappointing results from its transportation sector holdings, as the Fund's airport bonds tended to be of higher credit quality and lagged during the reporting period.
In addition, the use of leverage was an important factor affecting performance of the Funds. Leverage is discussed in more detail later in the Fund Leverage section of this report.

An Update on FirstEnergy Solutions Corp.

FirstEnergy Solutions Corp. and all of its subsidiaries filed for protection under Chapter 11 of the U.S. Bankruptcy Code on March 18, 2018. FirstEnergy Solutions and its subsidiaries specialize in coal and nuclear energy production. It is one of the main energy producers in the state of Ohio and a major energy provider in Pennsylvania. Because of the challenging market environment for nuclear and coal power in the face of inexpensive natural gas, FirstEnergy Corp., FirstEnergy Solution's parent announced in late 2016 that it would begin a strategic review of its generation assets. FirstEnergy Solutions is a unique corporate issuer in that the majority of its debt was issued in the municipal market to finance pollution control and waste disposal for its coal and nuclear plants. A substantial amount of bondholders, of which Nuveen Funds are included, entered into an "Agreement in Principal" with FirstEnergy Corp., to resolve potential claims that bondholders may have against FirstEnergy Corp. The agreement is subject to the approval of the FirstEnergy Corp. board of directors, FirstEnergy Solutions and the bankruptcy court.

In terms of FirstEnergy Solutions holdings, shareholders should note that NUW and NMI had no exposure to FirstEnergy, while NUV had 0.62% and NEV had 1.74%. It should be noted that exposure for NUV was in the secured structure, which continues to track close to par.

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Fund Leverage

IMPACT OF THE FUNDS' LEVERAGE STRATEGIES ON PERFORMANCE

One important factor impacting the returns of the NEV relative to its comparative benchmark was the Fund's use of leverage through investments in inverse floating rate securities, which represent leveraged investments in underlying bonds. This was also a factor, although less significantly, for NUV, NUW and NMI because their use of leverage is more modest. The Funds use leverage because our research has shown that, over time, leveraging provides opportunities for additional income, particularly in the recent market environment where short-term market rates are at or near historical lows, meaning that the short-term rates the Fund has been paying on its leveraging instruments in recent years have been much lower than the interest the Fund has been earning on its portfolio of long-term bonds that it has bought with the proceeds of that leverage.

However, use of leverage can expose Fund common shares to additional price volatility. When a Fund uses leverage, the Fund common shares will experience a greater increase in their net asset value if the municipal bonds acquired through the use of leverage increase in value, but will also experience a correspondingly larger decline in their net asset value if the bonds acquired through leverage decline in value, which will make the shares' net asset value more volatile, and total return performance more variable, over time.

In addition, common share income in levered funds will typically decrease in comparison to unlevered funds when short-term interest rates increase and increase when short-term interest rates decrease. Over the last few quarters, short-term interest rates have indeed increased from their extended lows after the 2007-09 financial crisis. This increase has reduced common share net income, and also reduced potential for long-term total returns. Nevertheless, the ability to effectively borrow at current short-term rates is still resulting in enhanced common share income, and management believes that the advantages of continuation of leverage outweigh the associated increase in risk and volatility described above.

The use of leverage through inverse floating rate securities had a negative impact on the performance of NUW and a negligible impact on the performance of NUV, NMI and NEV over the reporting period.

As of October 31, 2018, the Funds' percentages of leverage are as shown in the accompanying table.

	NUV	NUW	NMI	NEV
Effective Leverage*	2.37%	7.31%	0.00%	39.49%

* Effective Leverage is a Fund's effective economic leverage, and includes both regulatory leverage and the leverage effects of certain derivative and other investments in a Fund's portfolio that increase the Fund's investment exposure. Currently, the leverage effects of Tender Option Bond (TOB) inverse floater holdings are included in effective leverage values. A Fund, however, may from time to time borrow on a typically transient basis in connection with its day-to-day operations, primarily in connection with the need to settle portfolio trades. Such incidental borrowings are excluded from the calculation of a Fund's effective leverage ratio.

Share Information
DISTRIBUTION INFORMATION
The following information regarding the Funds' distributions is current as of October 31, 2018. Each Fund's distribution levels may vary over time based on each Fund's investment activity and portfolio investment value changes.
During the current reporting period, each Fund's distributions to shareholders were as shown in the accompanying table.

	Per Share Amounts			
Monthly Distributions (Ex-Dividend Date)	NUV	NUW	NMI	NEV
November 2017	$0.0325	$0.0600	$0.0405	$0.0680
December	0.0310	0.0600	0.0390	0.0650
January	0.0310	0.0600	0.0390	0.0650
February	0.0310	0.0600	0.0390	0.0650
March	0.0310	0.0600	0.0390	0.0650
April	0.0310	0.0600	0.0390	0.0650
May	0.0310	0.0600	0.0390	0.0650
June	0.0310	0.0560	0.0360	0.0620
July	0.0310	0.0560	0.0360	0.0620
August	0.0310	0.0560	0.0360	0.0620
September	0.0310	0.0560	0.0360	0.0565
October 2018	0.0310	0.0560	0.0360	0.0565
Total Monthly Per Share Distributions	$0.3735	$0.7000	$0.4545	$0.7570
Ordinary Income Distribution*	$0.0160	$0.0191	$0.0026	$0.0114
Total Distributions from Net Investment Income	$0.3895	$0.7191	$0.4571	$0.7684
Total Distributions from Long-Term Capital Gains	$—	$0.1816	$—	$—
Total Distributions	$0.3895	$0.9007	$0.4571	$0.7684

Yields	NUV	NUW	NMI	NEV
Market Yield**	4.05 %	4.68 %	4.28 %	5.34 %
Taxable-Equivalent Yield**	5.33 %	6.16 %	5.63 %	7.03 %

* Distribution paid in December 2017.

** Market Yield is based on the Fund's current annualized monthly dividend divided by the Fund's current market price as of the end of the reporting period. Taxable-Equivalent Yield represents the yield that must be earned on a fully taxable investment in order to equal the yield of the Fund on an after-tax basis. It is based on a federal income tax rate of 24.0%. When comparing a Fund to investments that generate qualified dividend income, the Taxable-Equivalent Yield is lower.

Each Fund seeks to pay regular monthly dividends out of its net investment income at a rate that reflects its past and projected net income performance. To permit each Fund to maintain a more stable monthly dividend, the Fund may pay dividends at a rate that may be more or less than the amount of net income actually earned by the Fund during the period. Distributions to shareholders are determined on a tax basis, which may differ from amounts recorded in the accounting records. In instances where the monthly dividend exceeds the earned net investment income, the Fund would report a negative undistributed net ordinary income. Refer to Note 6 – Income Tax Information for additional information regarding the amounts of undistributed net ordinary income and undistributed net long-term capital gains and the character of the actual distributions paid by the Fund during the period.